In ads for new line

Buick Century called a car for all seasons

By Joseph Bohn
Marketing Editor

Buick will use a three-pronged attack on the marketplace during the first quarter of 1982, to sustain its momentum.

While introducing the new front-drive Century, it will also launch a generic campaign and continue supporting remaining car lines in about equal-thirds of emphasis, according to Ned Sale, vice president and account supervisor at McCann-Erickson, Buick's agency.

Century will be pitched on the basis of front-drive, fuel economy and roominess — by now familiar attributes being cast into a new seasonal framework.

The "year of the Century" is the headline for ads which say, "This could be just another year for you. Or, it could be the year of the Century. Especially once you consider the many pleasures . . . Century can bring you season after season."

Using the seasonal approach, copy relates areodynamics to better economy for "blustering" fall winds, front-drive for better traction in winter snows, economical engine choices for spring economy and roominess for summer travel.

Century print will be confined to the five major news weeklies, with single and double-page spreads scheduled.

TV, which reinforces the "seasonal" message, provides all-around views of Century while discussing front-drive, engine availability, passenger and luggage capacity and EPA ratings. The TV ads begin tonight (Dec. 14) on Monday Night Football.

Throughout the second and third quarters, Century will be featured on network news, 20/20, NBC Magazine, the Academy Awards and golf. Century will also be advertised on CBS radio broadcasts of NFL Playoffs., championship games and the Super Bowl.

"Wouldn't you really rather have a Buick?" is the continuing signoff, with the hawk logo.

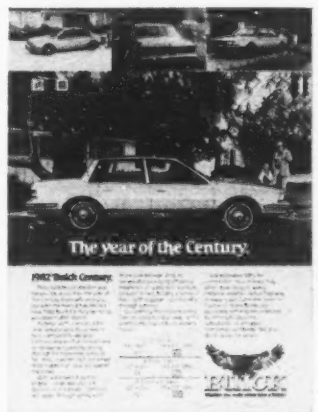
Buick will, at the same time, swing into a generic campaign designed to promote the division's products as a whole.

For example, a print ad headlined "At Buick, we believe luxury and economy can ride comfortably together" shows an engine riding on a luxurious seat in complementary fashion.

Again, "Buicks. What they have in common sets them apart" depicts benefits from the Riviera to the Skylark.

Sale said some monthly magazines have been recommended for product advertising on other car lines, which will continue in the quarter, with no definite commitments or schedules drawn up as yet.

Overall, he said, Buick is seeking to maintain a "certain tonality" of luxury and prestige that have contributed to its success.



Seasonal car

Buick's new Century is being positioned as a car for all seasons, with copy relating front-drive to winter snow, for example, and roominess to summer travel. McCann - Erickson is the agency.

U-M economist warns U. S. it could lose auto industry

Continued from Page 3

prove one of the four major demand factors for cars — consumer incomes. We may make progress in arresting the rise in costs by reducing regulation and perhaps lower wage costs. But it is questionable as to how far we can go."

Wilhelm concluded that "our outlook is mixed. The short-run outlook and the outlook for the decade is favorable for the economy, and the nation. But the outlook for our state is not bright and we have a long way to go to improve it."

• Concerning the national economy, Wilhelm finds that "the experience of the past year strongly supports the forecast that the Reagan program will work. The President has demonstrated clearly he has the support of the American people as well as the political will to make the program work.

"If the people continue to support the President then there is strong hope that over the coming decade we will end our long-term chronic inflation and we will see the end of decline in economic growth and stagnation . . . We should see a return to rising consumer incomes growing at a real rate of 3 to 3.5 percent a year. In addition we should see the end of our chronic and rising unemployment.

"From a political viewpoint we seem finally to have come to the realization as a people that inflation is our primary problem. Perhaps this is premature.

"The real test will be in the election a year from now. If the voters continue to reject big spenders in either party and candidates who do not want to fight inflation, they we will have passed a major corner. We will be on the path to long-term recovery."

Domestic stockpile soars to record 83-day supply

Continued from Page 1

pact, 26.70 percent; intermediate, 26.47 percent; standard, 11.43 percent, and luxury, 5.72 percent.

The Dec. 1 days-supply figures by market class were:

Subcompact—Eagle SX/4, 67; Chevette, 90; Lynx, 92; Rabbit, 94; Escort, 95; LN-7, 103; Dodge 024, 106; Cavalier, 117; Plymouth TC3, 118; EXP, 119; Horizon, 138; Omni, 140; Spirit, 143; T-1000, 149, and J-2000, 157½.

Compact—Omega, 54½; Citation, 58; Skylark, 59; Eagle, 59; Concord, 66; Zephyr, 72; Phoenix, 72; Reliant, 86; Fairmont, 86; Aries, 89; Mustang, 95; Capri, 96; Camaro, 105, and Firebird, 112½.

Intermediate — '81 LeBaron, 52; Cougar, 54; Cutlass, 55; New Yorker, 57; Regal four-door/'81 Century, 69; Malibu, 70; Supreme, 76; Gran Fury, 76; Regal, 79; Bonneville G/LeMans, 79; Grand Prix, 82; Cordoba, 85½: Diplomat, 89; Monte Carlo, 93; Granada, 94; Mirada, 107; Thunderbird, 111; XR-7, 116; '82 LeBaron, 122, and Dodge 400, 195½.

Standard — Olds 88, 43; Pontiac, 56; Olds 98, 58; Mercury, 62; Chevrolet, 69; Electra, 75; LeSabre, 79, and Ford, 82.

Luxury — Lincoln, 35; Eldorado, 48; Mark VI, 49; Cadillac, 54; Toronado, 62; Seville, 68; Corvette, 68½; Riviera, 80; Cimarron, 93; Continental, 98, and Imperial, 124.

Dealers recover quick return in used-car rentals

EASTON, Conn.—Happiness is renting older used cars, say dealers from the hard-pressed Northeast who are enrolled in the Olde'n'Bent Car Rental Plan.

William S. Alley, president of Well Seasoned Advice, Inc., administrator of Olde'n'Bent, said many dealers are getting back their original investment in less than six months even though they are operating very small fleets.

"Most dealers are getting even in two or three months," said Alley. "I put on Phil Roeber, Kingston, N. Y., in August and within two weeks he had most of his money back by virtue of putting out four prepaid monthly rentals."

Alley said other Olde'n'Bent dealers say their retail sales are stronger as a result of rental operations.

NEW CAR STOCKS

	Dec. 1, 1981	Nov. 1, 1981	Dec. 1, 1980
Spirit	143	138½	96
Concord	66	75	57
Eagle	59	80	83
Eagle SX/4	67	108	83
AMERICAN MOTORS	76	87	74
Horizon	138	130½	130
TC3	118	112	.....
Reliant	86	62	99
Gran Fury	76	68	.....
Plymouth	100½	80	97
LeBaron-K	122	15	.....
LeBaron	52	256	78
Cordoba	85½	80	127
New Yorker	57	43	.....
Chrysler	96	120	92½
Imperial	124	161	90
Omni	140	149	138
024	106	102	.....
Aries	89	73	97½
Dodge 400	195½	87	.....
Diplomat	89	75	103
Mirada	107	103½	149
Dodge	....	96	114
CHRYSLER CORP.	108	91	107
Escort	95	105	41
EXP	119	134	61
Mustang	95	88	95
Fairmont	96	88	65
Granada	94	75	133
Thunderbird	111	104	96
Ford	82	81	75
Ford	96	95	77
Lynx	92	99	51
LN7	103	153	.....
Capri	96	99	89
Zephyr	72	82	46
Cougar	54	54	105
XR7	116	115	86
Mercury	62	65	53
Mercury	80	87	65
Lincoln	35	49	104
Continental	98	70	.....
Mark VI	49	59	69
Lincoln	54	57	68
FORD MOTOR CO.	89	91	74
Skylark	59	77	35
Regal 4-door	69	65	45
Regal Coupe	79	74	40
LeSabre	79	57	37
Electra	75	71	39
Riviera	80	58½	29
Buick	72	71	38½
Cimarron	93	98	.....
Seville	68	73	42
Cadillac	54	48½	27
Eldorado	48	47	31
Cadillac	58	56	31
Chevette	90	116	90
Cavalier	117	77	.....
Citation	58	109	68
Camaro	105	79	74
Malibu	70	74	62½
Monte Carlo	93	82	78
Chevrolet	69	80	59
Corvette	68½	84	62½
Chevrolet	81	91	69
Omega	54½	70	45½
Cutlass	55	48½	39
Supreme	76	64	48
Olds 88	43	42	35
Olds 98	58	59	33
Toronado	62	53	32
Oldsmobile	64	59	41
T-1000	149	164	.....
J-2000	157½	79	.....
Phoenix	72	111	51
Firebird	112½	82	95½
Bonneville/Lemans	79	80	78
Grand Prix	82	74	63
Pontiac	56	53	65½
Pontiac	106	92	69
GENERAL MOTORS	77	77	55½
VOLKSWAGEN	94	66	77
TOTAL	83	81½	65

editorial opinion

Return the money, Archie

Continued from Page 16

in 1984. Mr. Hayford's loan was to have been reduced in increments of $243,360.

The board's decision, which came to light last January in the annual proxy statement, flabbergasted Chicago business. IH was still reeling from ill-advised and poorly planned decisions that caused a 169-day strike and resulted in a $397.3-million loss in fiscal 1980. The red ink might have been acceptable had IH won any work-rule concessions from the United Auto Workers (UAW). But in fact, IH was thoroughly routed. The company later defaulted on its debt and tallied an unexpectedly deep $636-million loss for fiscal 1981.

That's hardly the stuff bonuses are made of.

During one of Mr. McCardell's infrequent meetings with the public, he justified the IH board's decision to forgive the loans by proclaiming, "I have a contract."

Those words now have been flung back in his face. Mr. McCardell has come to the UAW asking for some $100 million in unspecified labor concessions to revitalize the failing Harvester. And the response from the union rank and file has been unequivocal: "We've got a contract."

The union and the executives both have contracts. But what good are contracts with a liquidated company?

No one pretends that IH's future hinges on recouping $2.8 million in loans to its top two officers. But it does hinge on something more important—recruiting IH employes in the task of saving the company. Securing $100 million in labor concessions from its main union is a key element in that task. There's no guarantee that the UAW will fall into line if Messrs. McCardell and Hayford pay off their loans. But we're quite certain that if they don't, the UAW won't assist in the salvage effort. Contract or no, the forgiveness issue has eclipsed all others in the union's dealings with IH, and rewarding Messrs. McCardell and Hayford after their disastrous financial performance is an insult to stockholders and employes and perverts the collective bargaining process.

We urge Mr. McCardell and Mr. Hayford to decline the scheduled reductions in their outstanding loans for fiscal 1981 and take steps to pay back the $359,250 that Mr. McCardell was forgiven and the $243,360 that Mr. Hayford was forgiven in 1980.

The principles of fair play and honor demand no less.

Power-brake installations set record

Power accessories in high demand in '81

By Joseph Bohn
Marketing Editor

Basic power accessories continue to be in high demand, an AUTOMOTIVE NEWS survey of '81 optional equipment reveals.

A greater percentage of domestically-bulit cars than ever before came equipped with power brakes, while power steering achieved a better than 80 percent penetration.

And electrically-operated windows and rear defrosters held their own, despite the very cost-conscious market which has developed.

Overall, 85.98 percent of domestically-built cars came with power brakes in '81, up from 81.87 the previous year.

With new entries like Cavalier, J-2000, Cimarron and Ford's EXP and LN7, no fewer than 45 car lines, in fact, standardized power brakes, up from 33 car lines in '80.

Industrywide, 5,810,562 cars came equipped with the power-assist brakes, compared with 5,850,171 in '80.

Power steering likewise continued to be widely popular, despite the increase of rack-and-pinion design on new small entries.

Some 83.73 percent of domestic cars came equipped with power steering, compared with 83.83 percent in '80.

Altogether, there were 5,658,765 cars with this accessory compared with 5,989,989 in '80.

Again, there were 35 car lines that carried power steering as a standard item, up from 31 in '80. The option became newly-standard on lines like AMC's Eagle/SX 4 and on the newly-introduced Cimarron.

Rear window defrosters continued holding their own.

They ended up on 50.76 percent of domestic models, compared to a 50.68 percent penetration the previous year.

Altogether, some 3,430,752 cars carried this item, against 3,621,119 in '80.

Rear window defoggers, by contrast, are virtually obsolete. They were offered only on the full-sized Chevrolet, where they accounted for 1.60 percent of production, or 2,960 cars.

(A couple of GM divisions use the term "defogger" to refer to what are essentially defrosters.)

Power side windows improved their popularity last year, climbing to a 23.38 percent penetration from 21.50 percent in '80.

Altogether, some 1,579,871 cars came equipped with the electrical window control against 1,536,314 in '80.

3 dealers added to Peugeot network

LYNDHURST, N.J.—Peugeot has added three dealers in the U. S.

They are: Rivers Ford, Monroe, La., owned by Jack L. Rivers; Cape Fear Motor Sales, Wilmington, N.C., headed by William N. Smith, and Gladstone Imports, Inc., Gladstone, Ore., headed by Edward J. Brusher.

POWER EQUIPMENT OPTIONS ON 1980 U. S. MODELS

	Power Brakes	Percent of Output	Power Steering	Percent of Output	Power side Window	Percent of Output	Rear Window defogger	Percent of Output	Rear Window defroster	Percent of Output
AMERICAN MOTORS	87,176	63.57	129,008	94.08	7,580	5.53	NA	—	70,218	51.21
Spirit	11,586	26.00	37,693	84.50	318	0.70	NA	—	20,796	46.60
Concord	38,161	69.30	53,886	97.80	3,255	5.90	NA	—	25,492	46.30
Eagle	14,486	100.00	14,486	100.00	3,330	23.00	NA	—	10,699	73.90
SX-4	22,943	100.00	22,943	100.00	677	3.00	NA	—	13,231	57.70
CHRYSLER CORP	476,258	64.93	525,475	71.64	35,736	4.87	NA	—	331,027	45.13
C-P Total	279,743	66.37	303,889	72.09	27,346	6.49	NA	—	198,653	47.13
Horizon	21,182	24.20	34,048	38.90	NA	—	NA	—	38,862	44.40
Reliant	166,255	81.20	176,083	86.00	NA	—	NA	—	89,884	43.90
TC3	15,310	29.30	23,253	44.50	NA	—	NA	—	26,075	49.90
Gran Fury	7,746	100.00	1,255	16.20	1,696	21.90	NA	—	4,826	62.30
Cordoba	20,293	100.00	20,293	100.00	9,700	47.80	NA	—	11,445	56.40
LeBaron	38,377	100.00	38,377	100.00	8,174	21.30	NA	—	19,764	51.50
Chrysler	10,580	100.00	10,580	100.00	7,776	73.50	NA	—	7,797	73.70
Dodge Total	196,515	62.99	221,586	71.02	8,390	2.69	NA	—	132,374	42.43
Omni	16,197	24.90	25,173	38.70	NA	—	NA	—	26,799	41.20
024	15,940	32.00	23,013	46.20	NA	—	NA	—	20,920	42.00
Aries	125,507	79.30	134,529	85.00	NA	—	NA	—	62,200	39.30
Diplomat	21,449	100.00	21,449	100.00	2,231	10.40	NA	—	12,719	59.30
Mirada	11,899	100.00	11,899	100.00	4,474	37.60	NA	—	6,306	53.00
St. Regis	5,523	100.00	5,523	100.00	1,685	30.50	NA	—	3,430	62.10
FORD MOTOR	1,320,878	87.83	1,225,990	81.52	256,200	17.04	NA	—	703,458	46.77
Ford Division	885,236	86.62	811,117	79.37	99,214	9.71	NA	—	456,595	44.68
Escort	199,171	62.10	162,609	50.70	NA	—	NA	—	117,065	36.50
EXP	71,644	100.00	49,708	69.40	NA	—	NA	—	71,644	100.00
Fairmont	160,828	100.00	154,394	96.00	4,986	3.10	NA	—	59,506	37.00
Must./Must. II	167,409	91.70	158,829	87.00	9,676	5.30	NA	—	66,452	36.40
Granada	121,341	100.00	120,734	99.50	10,557	8.70	NA	—	53,268	43.90
T-Bird	86,693	100.00	86,693	100.00	40,312	46.50	NA	—	40,832	47.10
Ford	78,150	100.00	78,150	100.00	33,683	43.10	NA	—	47,828	61.20
L-M Division	435,642	90.38	414,873	86.07	156,986	32.57	NA	—	246,863	51.22
Lynx	65,619	58.60	62,484	55.80	NA	—	NA	—	50,390	45.00
Capri	58,946	100.00	52,639	89.30	3,419	5.80	NA	—	27,999	47.50
Zephyr	66,509	100.00	64,181	96.50	5,387	8.10	NA	—	27,734	41.70
Cougar	53,653	100.00	53,438	99.60	10,999	20.50	NA	—	25,485	47.50
XR-7	37,275	100.00	37,275	100.00	15,991	42.90	NA	—	17,855	47.90
Mercury	61,638	100.00	61,638	100.00	51,653	83.80	NA	—	51,160	83.00
LN7	22,465	100.00	13,681	60.90	NA	—	NA	—	22,465	100.00
Lincoln	32,839	100.00	32,839	100.00	32,839	100.00	NA	—	23,775	72.40
Mark VI	36,698	100.00	36,698	100.00	36,698	100.00	NA	—	NA	—
GENERAL MOTORS	3,746,615	89.12	3,778,292	89.87	1,280,355	30.46	2,960	0.07	2,148,230	51.10
Buick Division	844,070	98.49	851,587	99.37	338,046	39.45	NA	—	476,624	55.62
Skylark	255,422	98.00	259,167	99.50	33,570	12.90	NA	—	147,374	56.60
LeSabre	89,210	100.00	89,210	100.00	51,718	58.00	NA	—	50,974	57.10
Century	138,248	95.80	142,020	98.40	41,819	29.00	NA	—	73,901	51.20
Regal	240,200	100.00	240,200	100.00	89,949	37.40	NA	—	112,423	46.80
Electra	68,983	100.00	68,983	100.00	68,983	100.00	NA	—	51,788	75.10
Riviera	52,007	100.00	52,007	100.00	52,007	100.00	NA	—	40,164	77.20
Cadillac Division	252,256	100.00	252,256	100.00	250,373	99.75	NA	—	199,184	78.96
Cimarron	14,048	100.00	14,048	100.00	12,165	86.60	NA	—	14,048	100.00
Seville	28,606	100.00	28,606	100.00	28,606	100.00	NA	—	28,606	100.00
Eldorado	60,557	100.00	60,557	100.00	60,557	100.00	NA	—	49,511	81.80
Cadillac	149,045	100.00	149,045	100.00	149,045	100.00	NA	—	107,019	71.80
Chevrolet Division	1,239,901	74.11	1,256,842	75.12	232,624	13.90	2,960	0.18	750,132	44.84
Chevette	50,846	11.20	55,840	12.30	NA	—	NA	—	167,973	37.00
Cavalier	65,130	100.00	58,356	89.60	2,801	4.30	NA	—	65,130	100.00
Camaro	126,138	100.00	126,138	100.00	38,428	30.50	NA	—	60,058	47.60
Citation	383,322	92.70	402,043	97.30	16,371	4.00	NA	—	186,026	45.00
Malibu	226,727	100.00	226,727	100.00	19,272	8.50	NA	—	90,011	39.70
Monte Carlo	157,115	100.00	157,115	100.00	40,379	25.70	NA	—	57,504	36.60
Chevrolet	184,992	100.00	184,992	100.00	69,742	37.70	2,960	1.60	81,351	44.30
Corvette	45,631	100.00	45,631	100.00	45,631	100.00	NA	—	41,479	90.90
Oldsmobile Division	936,036	99.51	938,652	99.79	309,382	32.89	NA	—	500,873	53.24
Omega	143,299	96.80	145,915	98.60	16,128	10.20	NA	—	79,997	54.00
Cutlass	195,730	100.00	195,730	100.00	45,313	23.10	NA	—	91,140	46.50
Cutlass Supreme	285,835	100.00	285,835	100.00	100,014	34.90	NA	—	128,335	44.80
Oldsmobile	268,568	100.00	268,568	100.00	106,323	39.50	NA	—	166,293	61.90
Toronado	42,604	100.00	42,604	100.00	42,604	100.00	NA	—	35,108	82.40
Pontiac Division	474,352	98.60	478,955	99.56	149,930	31.17	NA	—	221,417	46.03
Firebird	70,899	100.00	70,899	100.00	36,152	51.00	NA	—	36,216	51.10
Phoenix	121,156	94.80	125,759	98.30	9,643	7.50	NA	—	65,049	50.90
Grand Prix	108,344	100.00	108,344	100.00	61,431	56.70	NA	—	44,746	41.30
LeMans	71,948	100.00	71,948	100.00	12,951	18.00	NA	—	31,513	43.80
Pontiac	102,005	100.00	102,005	100.00	29,753	29.20	NA	—	43,893	43.00
VOLKSWAGEN	179,635	100.00	NA	—	NA	—	NA	—	177,819	99.00
Total Cars, U. S.	5,810,562	85.98	5,658,765	83.73	1,579,871	23.38	2,960	0.01	3,430,752	50.76

Note: Figures are generally based on U. S. production. However, Canadian-only sourced cars, such as Cordoba/Mirada, are included in some instances; also, some '82-only models, such as EXP/LN7 and Cimarron and Cavalier, built during the '81 model run.

Figures are based on production of 6,758,283 '81 models, including 4,204,064 GM cars, 1,503,946 Ford cars, 733,513 Chrysler models, 137,125 AMC and 179,635 Volkswagens.

GM's total includes 856,996 Buicks, 252,256 Cadillacs, 1,673,093 Chevrolets, 940,654 Oldsmobiles, and 481,065 Pontiacs. Ford's total includes 1,021,945 Ford Division and 482,001 Lincoln-Mercury models. Chrysler's total includes 421,525 Chrysler-Plymouths and 311,988 Dodges.

Elite 100 Dealer

Joe Bullard Oldsmobile, Inc., Mobile, Ala., has been named an Oldsmobile Elite 100 Dealer for the fifth consecutive year in recognition of sales achievement. A limited edition model Grenadine was presented to Joe B. Bullard Sr., left, by Jim Schultz, Oldsmobile's Atlanta zone manager.

PAA establishes training program for mechanics

PHILADELPHIA. — An apprenticeship training program for automobile mechanics will be instituted here for the first time under auspices of the Pennsylvania Automotive Assn. and the U. S. Labor Department's Bureau of Apprenticeship and Training.

Some 35 to 40 new-car dealers in the area are cooperating in the program which will be conducted at Spring Garden College, an accredited two-year associate-degree college specializing in mechanical and industrial training.

John J. Hunt, Philadelphia regional director for the federal apprenticeship bureau, said many new-car dealers complain that there are not enough skilled automotive mechanics available. He said a 10-county survey indicated not a single apprentice in the automotive field in Eastern Pennsylvania. Hunt said the new program is being financed entirely through the Private Industry Council by management and labor and will not be dependent on any federal funds.

The course of study and training, which will start in January, will be a four-year program covering eight six-month periods. The curriculum is being developed by a committee headed by Frank Vidion, president of the PAA. Vidion is also president of Vidion Motors Co. (Chrysler), Newtown Square, Pa.

Others on the committee are Paul McMillan, executive director of the PAA, and Dr. George Richmond, president of the Private Industry Council.

obituaries

Frederick James Williams

HAVERFORDWEST, Wales, UK.—Frederick James Williams, 57, national sales manager for Kaiser Jeep of Canada until 1968, when he became a Volkswagen dealer in Sarnia, Ont., died recently in Wales, land of his birth to which he returned in the early '70s. Before joining Kaiser Jeep of Canada in 1963, Mr. Williams had held sales posts with Austin Motor Co. and Rover Car Co. in Canada.

Wayne (Speed) Love

BOURBON, Ind.—Wayne (Speed) Love, 70, owner of Wayne Love Motors, Warsaw, is dead.

V-8, six-cylinder installations decline

Fours, diesels gain strength in '81

By Joseph Bohn
Marketing Editor

The number of four-cylinder engines and diesel engines in '81 model cars continued to climb, while V-8s and six-cylinders lost ground, an AUTOMOTIVE NEWS survey reveals. The setback for six-cylinder powerplants is expected to be only temporary, however.

Four-cylinder gasoline engines are now the most popular powerplants, capturing 37.95 percent of domestic industry production compared with 33.18 percent in the '80 model year.

Altogether, 2,564,497 four-cylinder gas engines were installed compared with 2,371,152 in the '80 model year.

The AUTOMOTIVE NEWS survey also shows an additional 126,174 four-cylinder diesels—equal to 1.86 percent of industry output—being installed in mostly Volkswagens and a few Chevrolet Chevettes. Isuzu supplies the Chevette diesel.

Six-cylinder engines are broken out as in-line and V-6 in this year's table.

The V-6, supplied only by General Motors in '81, accounted for 1,704,059 cars, equal to 25.21 percent of production. The in-line six-cylinder, offered by Ford, Chrysler and American Motors, accounted for 556,413 cars, or 8.24 percent of output. Together, the six-cylinder plants accounted for 33.45 percent of production in the '81 model year.

In 1980, six-cylinders of both variety accounted for 2,652,644 cars, or 37.13 percent of industry output.

The industry didn't offer a six-cylinder diesel on any '81 models.

GM, however, has begun offering a 4.3 liter V-6 diesel on '82 models, and it is expected to become increasingly popular in the future.

Conventional V-8 gasoline engines accounted for 1,476,095 cars, or 21.84 percent of industry output, down from 2,121,560, or 29.69 percent in '80.

American Motors and Volkswagen didn't offer them. But Chrysler installed 58,173 V-8s in 7.93 percent of its cars. That was down from 169,412, or 22.14 percent, in '80.

Ford installed the conventional V-8 in 352,907 or 23.46 percent of its cars. That was down from 479,142, or 34.88 percent, in '80.

GM installed them in 1,065,015, or 25.33 percent of its cars. That was off from 1,473,006, or 32.12 percent, in '80.

V-8 diesel engines continued to gain popularity.

They were offered in only GM cars, where they accounted for 331,025, or 4.90 percent of production. In the '80 model year, they accounted for 306,062 cars, equal to 4.28 percent of production.

GM appoints two

WARREN, Mich. — Donald E. Alexander has been appointed comptroller of the General Motors Assembly Division. Formerly comptroller of GM of Canada, Alexander succeeds Robert L. Pancoast, who has been named comptroller of GM's AC Spark Plug Division.

Rutherford's 25th

Edward C. Rutherford, left, dealer at Der Volkswagen, Roslyn, N. Y., receives a plaque commemorating his silver anniversary from Arthur Stanton, president, World-Wide Volkswagen Corp., Orangeburg, N. Y.

ENGINE OPTIONS ON 1981 U. S. MODELS

	V-8 Gasoline	Percent of Output	V-8 Diesel	Percent of Output	V-6 Gasoline	Percent of Output	6-Cylinder Gasoline	Percent of Output	6-Cylinder Diesel	Percent of Output	4-Cylinder Gasoline	Percent of Output	4-Cylinder Diesel	Percent of Output
AMERICAN MOTORS	N.A.	—	N.A.	—	N.A.	—	92,648	—	N.A.	—	44,777	—	N.A.	—
Spirit	N.A.	—	N.A.	—	N.A.	—	18,509	41.50	N.A.	—	26,090	58.50	N.A.	—
Concord	N.A.	—	N.A.	—	N.A.	—	48,045	87.20	N.A.	—	7,052	12.80	N.A.	—
Eagle	N.A.	—	N.A.	—	N.A.	—	13,820	95.40	N.A.	—	666	4.60	N.A.	—
SX-4	N.A.	—	N.A.	—	N.A.	—	12,274	53.50	N.A.	—	10,669	46.50	N.A.	—
CHRYSLER CORP.	58,173	7.93	N.A.	—	N.A.	—	57,694	7.87	N.A.	—	617,656	84.20	N.A.	—
C-P Total	39,339	9.33	N.A.	—	N.A.	—	37,657	8.93	N.A.	—	344,529	81.74	N.A.	—
Horizon	N.A.	—	N.A.	—	N.A.	—	N.A.	—	N.A.	—	139,781	100.00	N.A.	—
Reliant	N.A.	—	N.A.	—	N.A.	—	N.A.	—	N.A.	—	204,748	100.00	N.A.	—
Gran Fury	7,281	94.00	N.A.	—	N.A.	—	465	6.00	N.A.	—	N.A.	—	N.A.	—
Cordoba	10,329	50.90	N.A.	—	N.A.	—	9,964	49.10	N.A.	—	N.A.	—	N.A.	—
LeBaron	11,858	30.90	N.A.	—	N.A.	—	26,519	69.10	N.A.	—	N.A.	—	N.A.	—
Chrysler	9,871	93.30	N.A.	—	N.A.	—	709	6.70	N.A.	—	N.A.	—	N.A.	—
Dodge Total	18,834	6.03	N.A.	—	N.A.	—	20,037	6.42	N.A.	—	273,127	87.55	N.A.	—
Omni	N.A.	—	N.A.	—	N.A.	—	N.A.	—	N.A.	—	114,850	100.00	N.A.	—
Aries	N.A.	—	N.A.	—	N.A.	—	N.A.	—	N.A.	—	158,269	100.00	N.A.	—
Diplomat	8,301	38.70	N.A.	—	N.A.	—	13,148	61.30	N.A.	—	N.A.	—	N.A.	—
Mirada	5,474	46.00	N.A.	—	N.A.	—	6,425	54.00	N.A.	—	N.A.	—	N.A.	—
St. Regis	5,059	91.60	N.A.	—	N.A.	—	464	8.40	N.A.	—	N.A.	—	N.A.	—
FORD MOTOR	352,907	23.46	N.A.	—	N.A.	—	403,180	26.81	N.A.	—	747,859	49.73	N.A.	—
Ford Division	179,529	17.57	N.A.	—	N.A.	—	282,013	27.60	N.A.	—	560,403	54.83	N.A.	—
Escort	N.A.	—	N.A.	—	N.A.	—	N.A.	—	N.A.	—	320,727	100.00	N.A.	—
EXP	N.A.	—	N.A.	—	N.A.	—	N.A.	—	N.A.	—	71,644	100.00	N.A.	—
Fairmont	9,167	5.70	N.A.	—	N.A.	—	110,167	68.50	N.A.	—	41,494	25.80	N.A.	—
Must./Must. II	6,025	3.30	N.A.	—	N.A.	—	62,254	34.10	N.A.	—	114,283	62.60	N.A.	—
Granada	13,712	11.30	N.A.	—	N.A.	—	95,374	78.60	N.A.	—	12,255	10.10	N.A.	—
T-Bird	72,475	83.60	N.A.	—	N.A.	—	14,218	16.40	N.A.	—	N.A.	—	N.A.	—
Ford	78,150	100.00	N.A.	—	N.A.	—	N.A.	N.A.	N.A.	—	N.A.	—	N.A.	—
L-M Division	173,378	35.97	N.A.	—	N.A.	—	121,167	25.14	N.A.	—	187,456	38.89	N.A.	—
Lynx	N.A.	—	N.A.	—	N.A.	—	N.A.	—	N.A.	—	111,978	100.00	N.A.	—
Capri	1,827	3.10	N.A.	—	N.A.	—	20,809	35.30	N.A.	—	36,311	61.60	N.A.	—
Zephyr	2,594	3.90	N.A.	—	N.A.	—	49,948	75.10	N.A.	—	13,967	21.00	N.A.	—
Cougar	10,087	18.80	N.A.	—	N.A.	—	40,830	76.10	N.A.	—	2,735	5.10	N.A.	—
XR-7	27,695	74.30	N.A.	—	N.A.	—	9,580	25.70	N.A.	—	N.A.	—	N.A.	—
Mercury	61,638	100.00	N.A.	—	N.A.	—	N.A.	N.A.	N.A.	—	N.A.	—	N.A.	—
LN7	N.A.	—	N.A.	—	N.A.	—	N.A.	—	N.A.	—	22,465	100.00	N.A.	—
Lincoln	32,839	100.00	N.A.	—	N.A.	—	N.A.	N.A.	N.A.	—	N.A.	—	N.A.	—
Mark VI	36,698	100.00	N.A.	—	N.A.	—	N.A.	N.A.	N.A.	—	N.A.	—	N.A.	—
GENERAL MOTORS	1,065,015	25.33	331,025	7.87	1,704,059	40.53	2,891	0.07	N.A.	—	1,087,879	25.89	13,165	0.31
Buick Division	147,600	17.22	49,500	5.78	519,807	60.65	2,891	0.34	N.A.	—	137,198	16.01	N.A.	—
Skylark	N.A.	—	N.A.	—	125,131	47.70	N.A.	—	N.A.	—	137,198	52.30	N.A.	—
LeSabre	38,128	42.70	15,541	17.40	35,541	39.80	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Century	14,084	9.80	6,041	4.20	124,142	86.00	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Regal	20,568	8.80	7,463	3.10	209,278	87.00	2,891	1.10	N.A.	—	N.A.	—	N.A.	—
Electra	42,978	62.30	12,083	18.60	13,922	20.20	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Riviera	31,842	61.20	8,372	16.10	11,793	22.70	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Cadillac Division	165,611	65.65	42,156	16.71	30,441	12.07	N.A.	—	N.A.	—	14,019	5.57	N.A.	—
Cimarron	N.A.	—	N.A.	—	N.A.	—	N.A.	—	N.A.	—	14,048	100.00	N.A.	—
Seville	19,722	68.90	7,250	25.30	1,634	5.70	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Eldorado	43,694	72.20	11,731	19.40	5,132	8.50	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Cadillac	102,195	68.60	23,175	15.50	23,675	15.90	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Chevrolet Division	326,997	19.54	30,894	1.84	549,717	32.86	N.A.	—	N.A.	—	752,320	44.97	13,165	0.79
Chevette	N.A.	—	N.A.	—	N.A.	—	N.A.	—	N.A.	—	440,817	97.10	13,165	2.90
Cavalier	N.A.	—	N.A.	—	N.A.	—	N.A.	—	N.A.	—	65,130	100.00	N.A.	—
Camaro	74,169	58.80	N.A.	—	51,969	41.20	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Citation	N.A.	—	N.A.	—	167,005	40.40	N.A.	—	N.A.	—	246,373	59.60	N.A.	—
Malibu	43,758	19.30	N.A.	—	182,969	80.70	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Monte Carlo	47,449	30.20	N.A.	—	109,666	69.80	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Chevrolet	115,990	62.70	30,894	16.70	38,108	26.60	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Corvette	45,631	100.00	N.A.	—	N.A.	—	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Oldsmobile Division	295,119	31.37	172,350	18.32	379,083	40.31	N.A.	—	N.A.	—	94,102	10.00	N.A.	—
Omega	N.A.	—	N.A.	—	53,816	36.30	N.A.	—	N.A.	—	94,102	63.60	N.A.	—
Cutlass	31,337	15.40	37,248	19.00	127,145	64.90	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Cutlass Supreme	68,158	23.80	33,675	11.70	184,002	64.32	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Oldsmobile	167,861	62.50	87,517	32.50	13,190	5.00	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Toronado	27,763	65.10	13,910	32.60	930	2.10	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Pontiac Division	129,688	26.96	36,125	7.51	225,011	46.77	N.A.	—	N.A.	—	90,241	18.76	N.A.	—
Firebird	47,459	66.90	N.A.	—	23,440	33.10	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Phoenix	N.A.	—	N.A.	—	37,628	29.40	N.A.	—	N.A.	—	90,241	70.60	N.A.	—
Grand Prix	18,635	17.20	9,426	8.70	80,283	74.10	N.A.	—	N.A.	—	N.A.	—	N.A.	—
LeMans	8,562	11.90	N.A.	—	63,386	88.10	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Pontiac	55,032	54.00	26,699	26.10	20,274	19.90	N.A.	—	N.A.	—	N.A.	—	N.A.	—
VOLKSWAGEN	N.A.	—	N.A.	—	N.A.	—	N.A.	—	N.A.	—	66,626	37.10	113,009	63.90
Total Cars, U. S.	1,476,095	21.84	331,025	4.90	1,704,059	25.21	556,413	8.24	N.A.	—	2,564,497	37.95	126,174	1.86

Note: Figures are generally based on U. S. production. However, Canadian-only sourced cars, such as Cordoba/Mirada and LN7, are included in some instances, also, some '82-only models, such as EXP/LN7 and Cimarron and Cavalier, built during the '81 model run.

Figures are based on production of 6,758,293 '81 models, including 4,204,064 GM cars, 1,503,946 Ford cars, 733,523 Chrysler models, 137,125 AMC and 179,635 Volkswagens.

GM's total includes 856,996 Buicks, 252,256 Cadillacs, 1,673,093 Chevrolets, 940,654 Oldsmobiles, and 481,065 Pontiacs. Ford's total includes 1,021,945 Ford Division and 482,001 Lincoln-Mercury models. Chrysler's total includes 421,525 Chrysler-Plymouths and 311,988 Dodges.

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Automotive News

IMPORT REGISTRATIONS SHARES IN U. S.

	SEPTEMBER					NINE MONTHS				
	Regis., Sept., 1981	Percent Share of Market	Regis., Sept., 1980	Percent Share of Market	Pct. Pt. Change '81 vs. '80	Regis., 9 mos., 1981	Percent Share of Market	Regis., 9 Mos., 1980	Percent Share of Market	Pct. Pt. Change '81 vs. '80
Toyota	46,870	22.38	46,189	21.74	+ 0.64	454,817	23.99	440,760	23.22	+ 0.77
Datsun	39,054	18.65	42,493	20.00	— 1.35	346,356	18.27	398,578	21.00	— 2.73
Honda	32,424	15.48	30,838	14.52	+ 0.96	289,784	15.29	263,542	13.88	+ 1.41
Volkswagen	21,489	10.26	22,791	10.73	— 0.47	178,771	9.43	195,094	10.28	— 0.85
Subaru	13,496	6.44	13,400	6.31	+ 0.13	133,765	7.06	114,845	6.05	+ 1.01
Mazda	13,277	6.34	11,193	5.27	+ 1.07	107,838	5.69	91,514	4.82	+ 0.87
Volvo	5,320	2.54	5,579	2.63	— 0.09	49,336	2.60	39,716	2.09	+ 0.51
Colt	4,696	2.24	.....	.....	.....	44,217	2.33	.....	.....	.....
Champ	4,626	2.21	3,849	1.81	+ 0.40	36,111	1.90	.....	.....	.....
Audi	4,500	2.15	.....	.....	.....	32,464	1.71	41,283	2.17	— 0.46
Fiesta	.....	.....	5,760	2.71	.....	.....	.....	52,073	2.74	.....
Mercedes	.....	.....	4,793	2.26	.....	.....	.....	45,263	2.36	.....
All Others	23,678	11.31	25,544	12.02	— 0.71	222,302	11.73	215,791	11.37	+ 0.36
TOTAL	209,430		212,429			1,895,761		1,898,459		
Share of U. S. Total		27.45		30.26			28.88		28.88	

Registrations not available for Oklahoma.

September total is down 1.4 percent from earlier year

Import registrations slide again

By Jenny L. King
Staff Writer

Following the pattern set in July and August, import registrations were down again in September compared with the corresponding month of 1980, according to figures compiled by R. L. Polk & Co.

September import registrations totaled 209,430, down 1.41 percent from 212,429 a year earlier, but up 1.91 percent over the 205,507 reported for August.

Imports' share of the September market slipped to 27.45 percent from 30.26 percent a year earlier, August import share was 28.51 percent. Import penetration has declined each month since hitting its all-time peak of 30.58 percent in May.

Import registrations for the first nine months of 1981 were 1,895,751, slipping behind the year-ago total of 1,898,459 by 0.14 percent. Imports accounted for 28.88 percent of the total U. S. registrations in the first nine months, exactly the same penetration as last year.

Of the top 10 imports in September, Mazda showed the greatest growth in market share up 1.07 percentage points to 6.34 of total import registrations. Also increasing their shares were Honda, up 0.96 of a point to 15.48 percent; Toyota, up 0.64 of a point to 22.38 percent; Plymouth Champ, up 0.40 of a point to 2.21 percent, and Subaru, up 0.13 of a point to 6.44 percent.

Datsun was down 1.35 points to 18.65 percent, VW dipped 0.47 of a point to 10.26 percent, and Volvo's 0.09-point drop lowered it to 2.54 percent of all import registrations in September.

The top 10 imports accounted for 88.69 percent of registrations in September, up from 87.98 percent a year earlier.

Japanese nameplates accounted for 75.89 percent of September import registrations, up from 72.22 percent in 1980. Japanese year-to-date penetration was 75.32 percent, up from 74.46 percent.

German-built imports were a far-distant second for month and year-to-date periods. They accounted for 16.98 percent in September, compared with 19.38 percent a year earlier. German imports earned 17.35 percent of the nine-months import market, down from 18.44 percent in 1980.

Registrations by country of origin in September were:

	Sept., 1981	Sept., 1980
Japan	158,941	153,421
West Germany	35,552	41,165
Sweden	6,542	6,646
France	3,856	3,125
Italy	2,965	3,536
Britain	1,574	4,536

Registrations by country of origin for the first nine months of 1981 were:

	9 mos., 1981	9 mos., 1980
Japan	1,427,934	1,413,499
West Germany	328,829	350,158
Sweden	59,633	49,312
Italy	30,246	34,047
France	33,371	26,967
Britain	15,748	24,468

Registrations of imported trucks in September totaled 45,036, down 10.04 percent from 50,061 a year earlier. Registrations of imported trucks in September were:

	Sept., 1981	Sept., 1980
Toyota	13,493	13,669
Datsun	10,185	10,913
Chevrolet LUV	5,708	7,644
Ford Courier	5,537	6,845
Others	10,113	10,990
TOTAL	45,036	50,061

The truck import total for the first nine months of 1981 was 370,214, down 9.24 percent from 407,923 last year. Registrations of imported trucks in the first nine months were:

	9 mos., 1981	9 mos., 1980
Toyota	97,255	106,879
Datsun	83,984	84,889
Chevrolet LUV	52,683	65,484
Ford Courier	48,631	57,672
Others	87,661	92,999
TOTAL	370,214	407,923

Senate gets bill to repeal tax-credit leasing provision

WASHINGTON. — A controversial provision in this year's tax bill that permitted the struggling Ford Motor Co. and Chrysler Corp. to sell approximately $100 million and $20 million, respectively, in tax credits to large, profitable firms may be on the way out.

Senator Claiborne Pell, Rhode Island Democrat, has introduced legislation that would repeal the so-called "leasing provision" by which corporations buy and sell tax credits and deductions.

"This leasing provision has been in effect for little more than three months, but it is already apparent that it is an unjustified and outrageous raid on the Treasury and the taxpayers," Pell said.

"Indeed, this leasing provision is really a leeching provision because it permits wealthy, profitable corporations to leech billions of dollars from the taxpayers," he said.

The leasing provision was enacted in theory to help firms like Ford and Chrysler. Because they had no profits, they would not benefit from an accelerated depreciation provision also enacted in the tax bill. In practice, though, some big, profitable firms have been the major benefactors.

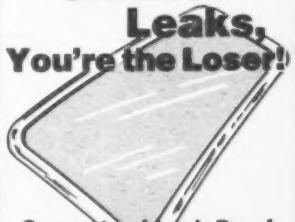
Congress had originally thought that only about $29 billion would be lost to the Treasury from the leasing provision, but new estimates put the figure at well over $100 billion.

Opposition to the leasing provision has been growing among both Republicans and Democrats.

More than 25

Roy Williams, center, of Lovell & Williams, Inc., Glen Burnie, Md., receives a plaque noting his 25-plus years as a GMC dealer from Larry Bowles, right, GMC Eastern regional manager, and John Rako, GMC Washington zone manager.

If the Sunroof Leaks, You're the Loser!



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U.S. new car sales forecast: 9.1 million

By Edward Lapham
Financial Editor

DETROIT. — U. S. new car sales in 1982 should total about 9.1 million units, up 4.6 percent from 8.7 million units in 1981, according to *Automotive News World Outlook*.

The new forecast, a joint undertaking by AUTOMOTIVE NEWS and Data Resources Inc. projects U. S. auto sales will begin the year with a seasonally adjusted annual rate below the 1981 performance, but build to a 9.8-million unit rate by the fourth quarter next year, with the upturn continuing into 1983. Car sales are projected at 10.0 million for 1983. Light-duty truck sales in the U. S. are projected at 2.2 million units in 1982, compared with 2.1 million units in 1981; about 2.6 million units are forecast for 1983.

Although the sales increases in the U. S. are based on the assumption of a recovering economy, and therefore are quite modest, the AUTOMOTIVE NEWS/DRI projection indicates total world production of cars will increase 12.6 percent to 32.2 million units in 1982 from 28.6 million units this year. Modest annual growth is projected thereafter, to about 34.9 million units in 1986.

The 1982 sales forecast of 9.1 million units is lower than earlier DRI forecasts. In early November the firm lowered its forecast to 9.6 million units. In August the DRI forecast was 10.4 million units, representing a 12.5 percent reduction in less than four months.

"The U. S. is now in full-fledged recession as an all-too-abundant flow of negative statistics makes clear," says Otto Eckstein, DRI chairman and Harvard University professor.

Eckstein cites the continuing auto sales slump, increased unemployment and new unemployment insurance claims, declining orders for non-defense real capital goods and bulging inventories as examples of the negative statistics which demarcate the recession.

"This is the eighth recession since World War II, and in many respects is a typical episode," says Eckstein.

"While the timing of this recession will be difficult and inevitably arbitrary, the monthly GNP data suggest that August was the peak; therefore, based on an average 10-month duration, May will be the month of the upturn."

The economist says GNP in the fourth quarter of 1981 is likely to show a five percent decline, drop another two percent in the first quarter, remain essentially flat in the second quarter of 1982, with the potential of a slight 0.6 percent increase in the spring quarter, assuming the turning point comes in April or May.

"The second half of 1982 should show higher growth rates in response to the tax cut and continued recovery in housing activity," Eckstein says. "Inventory corrections should also be complete by then. Consequently, the growth rate for the second half of 1982 is projected at 4.8 percent. What happens thereafter will mainly depend upon our ability to solve our policy problems."

• The DRI macroeconomic model shows some continued problems for the U. S. economy beyond the end of the technical recession, the economist says, with the principal forecast alternative one of continued inflation problems, with response in tightening monetary policy by the Fed and huge federal government budgetary deficits.

However, the economist does concede there are other alternatives: The recession could go deeper if there are a number of financial failures and bankruptcies in the U. S. economy, delaying recovery until fall. There would be "some benefit on the inflation side and the recovery in 1983-84 makes up the lost ground," he says.

The other alternative is a quick end to the recession, with resumed consumer spending at the end of this year and into the new year, increased spending by businesses taking advantage of tax cuts and leading into the "old Reagan scenario" of more investment, improved productivity and "more dramatic and permanent improvements of inflation," but with a nagging federal deficit problem.

Outside the U. S., "the high interest rates which the United States forced on the industrial world and the reluctance of the surviving conservative governments to stimulate their economies is creating a relatively weak 1982 outlook for our principal

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Automotive News starts quarterly world forecast

This issue of Forecast '82 introduces *Automotive News World Outlook*, a comprehensive international, economic and financial analysis to be published quarterly and exclusively by AUTOMOTIVE NEWS.

Based on a unique set of North American and international databanks developed by Data Resources Inc., *AN World Outlook* will provide the most timely, detailed and accurate analysis available of the world automotive industry.

Included will be U. S. macroeconomic, financial and automotive outlooks over a three-year period; a world automotive outlook and historical reference by area over an eight-year period; and European new-car registration outlook and historical reference over an eight-year period.

The major databases include:

The AUTOMOTIVE NEWS Databank, largest and most comprehensive source of information on production, sales, inventories, option mix, specifications and prices available on cars and trucks in North America.

Automotive Consumer Profile, consumer research data and historical analysis provided by J. D. Power and Associates.

DRICAR Database compiled from input by Hertz Corp., Recreational Vehicle Industry Assn., National Auto Dealers Assn., Automotive Warehouse Distributors Assn., University of Michigan Survey Research Center, Motor Vehicle Manufacturers Assn., Hilty Insurance Costs, and the U. S. Dept. of Commerce, Environmental Protection Agency, Federal Reserve Board and Bureau of Labor Statistics.

Standard and Poor's Compustat Database of financial statistics for over 5,700 North American companies.

Exstat Database of financial data for over 2,100 European, Australian and Far East companies.

Nikkei Financial Database of financial statistics for over 2,000 Japanese companies.

International Trade Statistics data on trade patterns between over 120 countries.

R. L. Polk & Co. vehicle registration data.

International Automotive Database covering over 30 countries' registrations, imports and exports of vehicles by make, model and cylinder size.

As a joint venture of AUTOMOTIVE NEWS and Data Resources Inc.'s automotive group, the goal of *Automotive News World Outlook* is to provide information and analysis to readers on a continuing and updated basis, well ahead of any other published reports.

Look for it quarterly starting with this issue.

AUTOMOTIVE NEWS WORLD OUTLOOK

GENERATED BY DATA RESOURCES INC.

U. S. Macroeconomic Outlook	Year '81	1982 First Quarter	1982 Second Quarter	1982 Third Quarter	1982 Fourth Quarter	Year '82	1983 First Quarter	1983 Second Quarter	Year '83
% change gross national product—1972 dollars	0.5	—2.0	0.6	5.1	4.5	2.0	4.6	4.8	4.3
Index of hourly earnings of production workers—private nonfarm	2.741	2.872	2.927	2.985	3.044	2.957	3.107	3.169	3.201
Consumer price index (all urban)—all items	2.727	2.878	2.925	2.979	3.038	2.955	3.098	3.159	3.188
Unemployment rate—all civilian workers	7.6	8.6	8.8	8.7	8.5	8.6	8.2	8.0	8.0
Index of consumer sentiment	0.717	0.666	0.695	0.730	0.768	0.715	0.790	0.809	0.803
Housing starts, private including farm—total	1.092	1.021	1,218	1,383	1,506	1.282	1,634	1.692	1.706
% change in retail gasoline prices	10.4	7.6	4.6	3.8	4.9	5.2	20.8	8.4	12.6

U. S. Financial Outlook		1982 First Quarter	1982 Second Quarter	1982 Third Quarter	1982 Fourth Quarter	Year '82	1983 First Quarter	1983 Second Quarter	Year '83
Prime rate on short-term business loans	18.73	13.50	14.02	15.55	16.38	14.86	16.28	15.38	15.79
Finance rate on consumer installment credit—auto loans	16.35	16.07	15.84	16.03	16.29	16.06	16.51	16.67	16.74
Real new-issue rate	6.22	5.34	4.54	4.85	5.57	5.08	5.13	4.47	4.63
Real short-term interest rate	7.91	3.18	3.73	6.15	7.59	5.16	7.02	6.05	6.31
Personal saving as percent of disposable personal income	5.19	5.18	4.91	6.28	6.33	5.68	6.22	5.84	6.48
Ratio of corporate profits to GNP	0.079	0.065	0.066	0.069	0.073	0.068	0.075	0.078	0.078
Ratio of fixed investment to GNP	0.112	0.110	0.109	0.107	0.107	0.108	0.107	0.108	0.109

U. S. Automotive Outlook		1982 First Quarter	1982 Second Quarter	1982 Third Quarter	1982 Fourth Quarter	Year '82	1983 First Quarter	1983 Second Quarter	Year '83
Total new passenger car retail sales rate—units	8.7	8.4	8.7	9.4	9.8	9.1	9.9	9.9	10.0
Domestic share %	73.68	76.85	77.69	77.81	77.69	77.51	77.30	77.05	77.05
Subcompact units	1.24	1.23	1.29	1.44	1.50	1.37	1.52	1.55	1.58
Compact units	2.00	1.99	2.09	2.30	2.40	2.20	2.47	2.52	2.58
Intermediate units	2.18	2.22	2.29	2.48	2.60	2.40	2.61	2.61	2.63
Full size units	0.98	1.07	1.03	1.08	1.09	1.07	1.00	0.92	0.86
Import share %	26.32	23.14	22.31	22.19	22.31	22.49	22.70	22.95	22.95
Total new light-duty truck retail sales rate—units	2.1	2.0	2.1	2.3	2.4	2.2	2.6	2.7	2.6

WORLD AUTOMOTIVE OUTLOOK	1979	1980	1981	1982	1983	1984	1985	1986
Total World Car Production	30.972	28.691	28.596	32.162	33.095	34.109	34.690	34.923
European Economic Community	10.081	9.105	8.423	9.537	10.146	10.093	9.796	10.179
Western Europe	11.199	10.393	9,619	10.888	11.673	11.795	11.360	11.828
USSR and Eastern Europe	2.291	2.170	2.321	2.427	2.456	2.653	2.698	2.700
Total Europe	13.490	12.563	11.940	13.315	14.129	14.448	14.058	14.528
North America	9.417	7.219	7.727	9.428	9,427	9.248	9.558	9.373
Latin America	1.330	1.362	1.282	1.346	1.369	1.597	1,777	1.845
Oceania	0.339	0.248	0.389	0.391	0.400	0.437	0.455	0.452
Asia	6.300	7.165	7.111	7.527	7.610	8.215	8.662	8.539

European New Car Registration Outlook	1979	1980	1981	1982	1983	1984	1985	1986
Total Austria new car registrations—units	0.214	0.228	0.181	0.213	0.248	0.233	0.220	0.255
Japanese % of total	12.4	20.7	25.7	29.6	31.3	35.4	40.3	44.1
Total Belgium new car registrations—units	0.007	0.008	0.005	0.012	0.010	0.011	0.012	0.012
Domestic % of total	7.0	7.0	6.0	5.5	7.8	8.6	8.8	9.5
Japanese % of total	19.6	24.7	26.7	23.7	22.2	20.8	20.2	19.4
Total France new car registrations—units	1.979	1.873	1.833	2.104	2.163	2.221	2.098	2.134
Domestic % of total	68.0	66.7	54.8	55.6	56.0	56.0	55.0	55.6
Japanese % of total	2.2	2.9	2.4	2.8	2.5	2.2	2.3	2.5
Total Italy new car registrations—units	1.431	1.716	1.673	1.566	1.663	1.717	1.693	1.570
Domestic % of total	59.6	56.6	56.7	60.7	61.3	60.6	59.4	59.6
Japanese % of total	0.1	0.1	0.1	0.2	0.1	0.0	0.0	0.1
Total West Germany new car registrations—units	2.623	2.426	2.289	2.598	2.738	2.621	2.511	2.579
Domestic % of total	62.3	59.2	62.5	62.9	63.7	62.4	66.2	69.0
Japanese % of total	5.6	10.4	10.3	9.6	8.4	7.5	6.7	4.5
Total Sweden new car registrations—units	0.215	0.192	0.186	0.231	0.229	0.239	0.240	0.222
Domestic % of total	29.6	31.6	30.5	25.8	27.1	27.1	26.3	26.3
Japanese % of total	10.0	13.6	13.8	16.7	16.0	16.0	15.2	13.2
Total United Kingdom new car registrations—units	1.716	1.514	1.401	1.488	1.658	1.723	1.521	1.627
Domestic % of total	43.7	43.2	47.5	51.5	49.0	49.3	49.9	48.6
Japanese % of total	10.8	11.8	11.1	9.9	9.2	9.4	9.6	10.3

Note: Units stated in millions. Totals may not add, due to rounding.

Outlook

Continued from Page E-4

trading partners," Eckstein says.

In West Germany the current growth prospect is for an advance of only 1.4 percent, according to the DRI European Forecasting Group. In Britain, where the unemployment rate was 11.3 percent in October, the 1982 growth prospect is only 1.1 percent.

"In France, where the new government has reverted to traditional liberal stimulus measures, business is so concerned about the switch to socialism that investment will be at low levels and there will be continuing capital flight. In Japan, the 4.2 percent growth rate of the last four quarters was achieved mainly by the continued export boom. Domestic markets expanded at only 2.0 percent. The prospects for 1982 are for more of the same — overly strong export performance and a sluggish domestic economy."

Despite this slow-growth view of the major Western economies, the prospect for growth in passenger car production remains viable.

"The poor recovery in the U. S. will have less impact on the world that it would have had in earlier years because the U. S. share of world trade has been steadily dropping," says Geoffrey Skipper, DRI's director of European Auto Forecasting.

"In 1980 the U. S. absorbed only 6.0 percent of European exports, about the same share as Africa. As a result, domestic developments in the U. S. have less direct impact on the European economies than they had in previous recoveries. The principal effect of the U. S. on Europe is now indirect, through interest rates and exchange rates, rather than direct."

Skipper says the slower growth rates in the U. S. will "somewhat" reduce the European growth rates. Real Gross Domestic Product in the four major European countries is expected to reach only a 1.8 percent real growth rate in 1982.

New car production in Western Europe is expected to rise about 13.5 percent next year to a total of 10.9 million compared with a 1981 total of 9.6 million.

New car production in the six European Economic Community nations will rise about 13.1 percent to 9.5 million from 8.4 million.

The *Automotive News World Outlook* for car production in the U.S.S.R. and the Eastern Europe Bloc nations is not as expansive. Car production in those nations is expected to increase only about 4.3 percent in 1982 to 2.4 million from 2.3 million this year.

North America, with the anticipated recovery in the U. S. and Canada, is expected to build about 9.4 million new cars next year, up 22 percent from 7.7 million in 1981.

Latin America auto production will grow at a 5.5 percent rate next year, the *Outlook* says, to a total of 1.35 million compared with 1.28 million this year.

Car production in Oceania should remain fairly static, increasing just 0.5 percent to 391,000 from 389,000. Asian car production is expected to increase 5.6 percent to 7.5 million from 7.1 million.

One of the current concerns in the European car markets is the increasing penetration of Japanese makes — something U. S. auto makers are closely watching — for solutions, inspiration or other clues to eliminating the "problem" of a large market share for Japanese makes.

In Italy, where the government has restricted the number of Japanese imports, there will be no noticeable penetration. Penetration by domestic makes is expected to increase in 1982 along with a recovery of total new car registrations, to 60.7 percent from 56.7 percent this year, and remain fairly consistent even when the market turns down slightly in 1985 and 1986.

DRI data, on which the *Automotive News World Outlook* is based, shows projected scrappage rates plus human population, personal per capita financial information and other statistics.

'One of the current concerns in the European car markets is the increasing penetration of Japanese makes— something U. S. auto makers are closely watching for solutions and inspiration.'

DRI projects that Italian car ownership per capita will increase 327.2 per thousand to 353.4 per thousand in 1986.

DRI also projects that auto productivity (production per employe), which has been increasing slightly in Italy, will make another good gain in 1982 but then begin to tail off, beginning in 1985. The average annual rate of change for the 1981 to 1986 period is expected to be 0.31 percent compared with a 3.75 percent rate for the 1976 to 1981 period. DRI projects the auto unit labor cost in Italy for the 1981-1986 period will rise at an annual rate of 11.71 percent compared with a 20.62 annual average rate in the 1976-1981 period.

In West Germany, where per capita car ownership is currently about 401.7 per thousand and will expand to 441.8 per thousand by 1986, Japanese penetration is expected to decline from 10.3 percent in 1981 to 9.6 percent next year and 4.5 percent by 1986.

West German auto productivity is expected to continue growing at a very good rate, according to DRI, with an average annual rate of change of 8.56 percent between 1981 and 1986 compared with an annual average rate change of minus 0.14 percent in the 1976 to 1981 period.

Auto employment will decline, DRI projects, but the average earnings index will grow at an annual rate of 6.62 percent in the 1981-1986 period compared with a 7.08 percent rate in the 1976 to 1981 period.

• The unit labor cost index is expected to rise slightly between 1981 and 1982, but then decline at an average annual rate of 0.67 percent between 1981 and 1986, compared with an average annual gain of 4.22 percent in the 1976 to 1981 period.

In the United Kingdom de facto restrictions on Japanese imports and the resulting joint ventures between British and Japanese companies will reduce the share of products imported from Japan to 9.9 percent in 1982 from 11.1 percent this year. The rate will drop under 10 until 1986, when it will jump past that benchmark, the *Automotive News World Outlook* projects.

Per capita car ownership in the UK is expected to go from 275.3 per thousand in 1981 to 286.1 per thousand in 1986.

The continuing economic problems in that nation will reduce the auto workforce further, DRI projects, at an average annual rate of 0.33 percent in the 1981-1986 period compared with an average annual decline of 4.92 percent in the 1976 to 1981 period.

Auto industry productivity which declined at an average annual rate of 1.57 percent in the 1976 to 1981 period is actually expected to increase by an average annual rate of 3.69 percent in the 1981 to 1986 period.

As a consequence, the auto unit labor cost index in the UK is expected to increase at a 3.86 percent average annual rate between 1981 and 1986. In the 1976 to 1981 period it rose at an average annual rate of 17.75 percent.

Still, the average earnings index is expected to increase at an 11.75 percent average annual rate through 1986.

In France, where the new socialist government has caused some unsettled business and economic conditions, per capita car ownership is expected to continue to rise, the 1981 rate of 360.8 per thousand to 399.4 per thousand in 1986. The Japanese share of the French market is expected to remain under three percent.

Unlike several of the other major European countries, France is expected to have higher average auto earnings index growth rate over the next several years. According to DRI projections, the average annual rate increase will be 15.91 percent compared with an average annual rate increase of 13.33 percent in the 1976 to 1981 period.

Productivity, however, is expected to also increase at a faster rate; in the 1976 to 1981 period the average annual rate of increase was 1.18 percent but it is expected to be 5.39 percent in the 1981 to 1986 period. The unit labor cost index, which increased at an average annual rate of 10.17 percent in the 1976 to 1981 period will grow at an average annual rate of 9.52 percent in the next five years, DRI projects.

In the United States, by comparison, auto production employment, pegged at 735,000 in 1981 by DRI, is expected to jump to 821,000 next year and 869,000 in 1983 and then level off. The average earnings index will grow at a 10.55 percent average annual rate in the 1981 to 1986 period compared with an average annual growth rate of 8.56 percent in the 1976 to 1981 period. The auto unit labor cost index, which expanded at an annual rate of 9.76 percent in the last five years is expected to increase at an average annual rate of 6.97 percent in the next five years.

Productivity, which has become a rallying cry in the U. S. auto industry and the entire business sector, actually had an average annual decline of 1.0 percent in the 1976 to 1981 period, according the DRI data, and is expected to grow at just an average annual rate of 0.41 percent.

In Japan, the average earnings index increased at an average annual rate of 7.47 percent in the last five years, and is expected to increase at an average annual rate of 6.22 percent over the next five years.

Productivity, which had been improving at an average annual rate of 6.29 percent in the 1976 to 1981 period is anticipated to grow at an annual rate of 3.01 percent in the 1981 to 1986 period.

The auto unit labor cost index actually declined by an annual average of 0.78 percent in the 1976 to 1981 period, but will increase at a projected rate of 2.35 percent in the 1981 to 1986 period, DRI projections indicate.

The significance of these projections is clear: U. S. auto makers are working at a growing disadvantage in the world auto market.

The U. S. economy is adversely impacting the European economies, but not to the point where they are unable to take the necessary actions to offset at least a portion of the effect.

The ability of European producers to improve the productivity and unit cost situations at a greater rate than U. S. manufacturers, even though they may be starting from a lower base, will put competitive pressures on the U. S. car makers.

Even in Japan, where heralded productivity gains are not expected to be maintained, reducing the rate at which Japanese makers widen the competitive gap over U. S. makers has a caveat: There will likely be new pressures to increase volumes in export markets and once again improve the ratios and indices.

In the final analysis it is very clear that U. S. makers are in a crucial period, and that all developments affecting their competitive position will be very important in 1982.

'The ability of European producers to improve productivity and unit cost situations at a greater rate than U. S. manufacturers will put competitive pressures on U. S. car makers.'

European and World Composite Variables

(Billions of Dollars — Seasonally Adjusted by Annual Rates)

BIG FOUR EUROPEAN COUNTRIES (1970=1.0)

	1978	1979	1980	1981	1982	1983
Real Gross Domestic Product	706.6	733.0	743.7	740.2	753.8	774.6
Annual Rates of Change	3.5	3.7	1.5	—0.5	1.8	2.8
Industrial Production	1.164	1.214	1.209	1.166	1.206	1.247
Annual Rate of Change	1.9	4.3	—0.4	—3.6	3.4	3.4
Consumer Price Index	2.092	2.317	2.657	3.002	3.373	3.764
Annual Rate of Change	7.9	10.7	14.7	13.0	12.4	11.6
Wholesale Price Index	2.104	2.356	2.679	3.003	3.387	3.726
Annual Rate of Change	5.4	12.0	13.7	12.1	12.8	10.0
Unemployment (Thous.)	5102	5228	5684	7498	8503	8930
Unemployment Rate	5.5	5.5	6.0	7.9	8.8	9.0

SIX E.E.C. COUNTRIES (1970=1.0)

	1978	1979	1980	1981	1982	1983
Industrial Production	1.170	1.217	1.212	1.170	1.208	1.248
Annual Rate of Change	1.7	4.1	—0.4	—3.5	3.3	3.4
Consumer Price Index	2.067	2.278	2.598	2.923	3.272	3.638
Annual Rate of Change	7.6	10.2	14.0	12.5	11.9	11.2
Wholesale Price Index	2.062	2.299	2.601	2.908	3.268	3.586
Annual Rate of Change	5.1	11.5	13.2	11.8	12.4	9.7
Hourly Wages	2.878	3.247	3.743	4.254	4.850	5.496
Annual Rate of Change	11.8	12.8	15.3	13.7	14.0	13.3
Unemployment (Thous.)	5589	5732	6253	8280	9374	9569

MAJOR INDUSTRIALIZED NATIONS

Six E.E.C. Countries, The United States, Canada and Japan (1970=1.0)

	1978	1979	1980	1981	1982	1983
Industrial Production	1.293	1.354	1.335	1.351	1.376	1.450
Annual Rate of Change	4.5	4.7	—1.4	1.2	1.9	5.4
Consumer Price Index	1.858	2.041	2.305	2.551	2.789	3.030
Annual Rate of Change	7.2	9.9	12.9	10.7	9.3	8.6

REAL GDP GROWTH*

	1978	1979	1980	1981	1982	1983
West Germany	3.6	4.4	1.8	—1.0	1.4	3.5
France	4.1	4.0	1.5	0.6	3.1	2.7
United Kingdom	3.3	1.4	—1.4	—1.9	1.1	2.1
Product Basis	3.3	2.1	—2.8	—3.0	1.5	2.1
Italy	2.7	4.9	4.0	0.3	1.4	2.2

GROWTH IN INDUSTRIAL OUTPUT

	1978	1979	1980	1981	1982	1983
West Germany	2.0	5.3	—1.0	—1.2	1.3	3.8
France	0.3	2.7	—0.2	—5.8	6.8	3.5
United Kingdom	3.7	2.5	—6.6	—4.9	4.7	2.4
Italy	1.9	6.7	5.5	—3.3	1.7	3.4
The Netherlands	0.6	3.3	—0.1	—3.1	0.8	3.2
Belgium	0.2	0.3	—0.1	—3.1	2.9	3.3

CONSUMER PRICE INFLATION

	1978	1979	1980	1981	1982	1983
West Germany	2.7	4.1	5.5	5.9	4.5	2.8
France	9.3	10.7	13.5	13.5	14.5	14.1
United Kingdom	8.3	13.4	18.0	11.8	9.9	9.3
Italy	12.1	14.8	21.2	20.4	19.4	17.8
The Netherlands	4.1	4.2	6.5	6.5	5.0	4.9
Belgium	4.5	4.5	6.7	7.8	7.8	6.8

UNEMPLOYMENT (000)

	1978	1979	1980	1981	1982	1983
West Germany	992	880	892	1277	1607	1599
France	1164	1349	1447	1783	1996	2029
United Kingdom	1376	1302	1648	2550	2887	3002
Italy	1570	1697	1697	1888	2012	2060
The Netherlands	205	210	248	382	427	426
Belgium	282	294	322	400	443	453

*Real GNP Growth in West Germany
Source: Data Resources, Inc.

Highway travel may be a bumpy ride

By Peter G. Koltnow
President, Highway Users Federation

What does 1982 have in store for highway use? One doesn't have to be a prophet to point out that since highways are the heart of America's transportation system, our need and use of them will continue to grow.

Highway travel during the past decade grew most years because of more licensed drivers and increasing amounts of freight hauled by truck.

These trends are likely to continue. The National Transportation Policy Study Commission estimates that auto travel will grow about 70 percent during the last quarter of this century, while truck travel rises a whopping 140 percent.

In 1974, travel fell 2.4 percent because of the Arab oil embargo. During 1979 and 1980, highway use dropped about one percent annually because of rapidly escalating motor fuel prices, occasional petroleum supply disruptions and high inflation rates. Road use could be temporarily discouraged by the recurrence of such circumstances.

But in 1981, we saw a return to traditional travel patterns, including the family vacation by automobile. Although some hotels have had a rough time because of greater room fees, national parks and campgrounds had a banner year. Despite high interest rates, recreational vehicle sales are up 38 percent over 1980.

About four out of five vacations are taken in the private automobile. Of 1,000 people recently surveyed by the U. S. Travel Data Center, 45 percent said they plan to go on vacation in the fall and winter months. Over half these respondents plan to use a car, truck, recreational vehicle or bus to make their trip.

It's not hard to understand why. Our extensive road network provides easy access to practically any destination. Although gasoline prices are far higher than several years ago, they actually dropped slightly over the spring and summer, a fact that was well-publicized.

Koltnow: America's roadways are wearing out.

Costs per gallon aren't snowballing as they did in 1979-80, and people aren't worried about finding gasoline. Coupled with more fuel-efficient automobiles, these are strong incentives to use America's highways.

Travel usually peaks during the popular vacation months of June, July and August. Through this August, travel was up 2.6 percent over 1980. By the end of the year, travel will probably still be up two to three percent overall, possibly near the record trillion-and-a-half miles set in 1978.

Based on this pattern, and barring any unforeseen circumstances like a deep recession, travel on the nation's roads should increase another two or three percent again next year. Despite short-term fluctuations, highway use will probably continue to grow at this rate — or greater — until the end of the century and beyond.

But highway travel may provide an increasingly bumpy ride. Road conditions have deteriorated during the past several years, and are likely to get worse before they get better. America's great roadway resource is simply wearing out.

• The U. S. Department of Transportation's latest highway needs report pointed out that the condition of road surfaces worsened significantly from 1975 to 1978. According to recently compiled federal data, over half the nation's most traveled streets, roads and highways are in a "deteriorated" or only "fair" condition.

Interstate highways, for example, built for a 20-year design life, are aging at a rate requiring reconstruction of 2,000 miles annually. More than 8,000 miles of the system are now beyond design life, and some require reconstruction or rehabilitation. DOT estimates that unless remedial action is taken, 83 percent of the Interstate will be in poor condition by 1995.

Meanwhile, fuel consumption is dropping, due mainly to more fuel-efficient motor vehicles and conservation habits. So far this year, gasoline consumption is down four percent from 1980. As a result, revenues for state and federal highway programs, funded mainly from excise taxes on motor fuel, have declined. Fuel consumption and revenues will likely drop again in 1982.

Consequently, most states are hard-pressed to maintain their streets and roads, let alone build new ones. And that can hurt economic expansion. Mobil Oil recently scrapped plans to develop a huge, multi-million dollar residential and commercial

Continued on Page E-12

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Highways

Continued from Page E-10

complex in Montgomery County, Md., because of inadequate state and county provisions to relieve traffic saturation. Instead, Mobil's $360 million investment, and 7,000 new jobs, will go elsewhere.

In addition to a revenue decline, the purchasing power of highway dollars is undermined by inflation. Highway construction costs rose almost 350 percent between 1967 and 1980, while maintenance costs grew about 275 percent.

And the share of total highway expenditures for construction and reconstruction has dwindled. In 1980, capital costs accounted for only 43 percent of all highway spending, down from 59 percent in 1970.

Most states have taken steps to help offset deteriorating pavement and inflated highway costs. This year, 36 states either raised highway user charges like motor fuel taxes and vehicle registration fees, or tapped other sources for aid—such as severance taxes, bond issues and general fund transfers.

• But by and large, these measures barely keep up with the problem. Whether as many state legislators and governors will be willing to risk similar actions in 1982—an election year for many—is uncertain. What is certain is that states as well as the federal government will have to bridge the gap in highway funding periodically over the next decade.

The problem at the federal level is particularly acute because Congress and the Administration have been slow in coming to grips with the degree of funding needed to repair the nation's highways. Inflated costs versus decreasing revenues could form a collision course for America's roads unless an effective highway program is enacted in 1982.

But despite its problems, our highway system will continue to be the prime mover of goods and people. It will continue to serve as the prime determinant of industrial location and an essential part of the American assembly line.

Those industries that rely on highway transportation have their work cut out for them to ensure that the long-term outlook is not just greater highway use but a better, more efficient transportation environment.

These simple truths will remain with us in 1982 and throughout the foreseeable future.

Because motor vehicle travel is up two to three percent in 1981, it is assumed by some that income to the Federal Highway Trust Fund, which finances federal-aid highway programs, is also growing. Actually, income to the Trust Fund is declining and has been since 1979.

The Highway Users Federation's preliminary figures show Trust Fund income for federal fiscal year 1981, which ended September 30, was $7.326 billion, compared to $7.647 for 1980 and a record $8.047 billion for 1979.

The federal four-cent per gallon tax on gasoline and diesel fuel accounts for the biggest share of Trust Fund revenues.

Although travel is up, Trust Fund income is down primarily because of declining gasoline sales as a result of more fuel efficient vehicles. The slump in motor vehicle sales also means less Trust Fund income from taxes on trucks, trailers, original equipment tires, parts and accessories.

By the close of fiscal year '81 (September 30), Trust Fund income from fuel was down to $4.28 billion, a three percent decrease from the $4.42 billion collected in fiscal year '80. In comparison, the Trust Fund derived $4.83 billion from motor fuel sales in '79.

The Trust Fund was set up by the Highway Revenue Act of 1956.

The balance in the Trust Fund at the beginning of fiscal year '81 (October 1, 1980) was $10.999 billion, and '81 Trust Fund expenditures were $9.118 billion. The balance at the start of fiscal year '82 (October 1, 1981) was an estimated $9.207 billion.

Trust Fund Income

(in millions $) for the last five fiscal years

	1977	1978	1979	1980	1981**
Motor Fuel					
Gasoline	4,253.584	4,237.755	4,337.090	3,897.059	3,733.504
Diesel	453.814	484.611	497.259	522.554	545.064
Subtotal	4,707.398	4,722.366	4,834.349	4,419.613	4,278.568
Truck and Trailer*	705.127	850.519	943.579	912.200	731.795
Tires, Tubes, Tread Rubber	812.970	818.354	866.950	680.630	669.858
Use of Certain Vehicles	239.700	245.546	235.333	277.420	234.167
Lubricating Oil	76.321	80.180	83.871	76.901	77.703
Parts and Accessories	167.714	187.469	224.730	253.061	253.306
Net Revenue from Excise Taxes	6,709.230	6,904.434	7,188.812	6,619.825	6,245.397
Interest	593.068	662.160	857.286	1,027.484	1,080.742
TOTAL	7,302.298	7,566.594	8,046.098	7,647.309	7,326.139

*Includes bus sales until 1978, **Preliminary

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Output forecast: 7 million cars

The U. S. economic outlook appears bleak for the 1982 first half, but Federal-Mogul Corp. expects recovery to set in sometime during the latter part of the year.

"Although the recovery should be well established by year-end, the various figures used to gauge economic performance will not be very impressive," says chairman Thomas F. Russell.

"We anticipate the Gross National Product will show less than one percent growth in 1982, and the inflation rate will drop to an eight or nine percent rate from the 10.5 percent rate we've estimated for 1981," he says. "We think interest rates will remain high in response to tight monetary policy and the demands placed on financial markets by government borrowings.

"Since there will be little opportunity for substantial improvement in U. S. industrial production until late in the year, the unemployment rate should remain high pending renewed business activity."

Because the general economic climate will directly affect domestic automotive operations, Federal-Mogul expects vehicle sales will show an unspectacular eight to 10 percent sales increase over the depressed 1981 level. In terms of units, the company predicts U. S. car production will total about seven million compared with about 6.4 million in 1981.

Russell remains confident.

Total domestic and imported car sales in 1982 should reach the 9.6 to 9.8 million mark, according to Federal-Mogul, with the pace of both production and sales gaining momentum in the latter part of the year.

"Continuing high interest rates have certainly contributed to the depression in automotive sales, but we feel the most profound reasons for the situation can be traced to high car prices or sticker shock and depressed real personal income," Russell says.

"Despite the generally unfavorable outlook for the near term, we remain confident that once the recovery begins there will be the basis for a sustained period of growth, both for the national economy and the automotive industry."

Die casters depend on economic policies

The 1982 scenario for the U. S. die casting industry depends on President Reagan's economic policies and moves in interest rates and inflation during coming months, according to Peter A. R. Findlay, president of the American Die Casting Institute.

Facts of economic stimulation and psychology of industrial purchasers during 1982 will impact on die casting sales, he says. At the moment, however, all manufacturing industries will have to "hang in."

He adds that "there is optimism of better times ahead, and die casters should be prepared to maximize future opportunities."

The industry experienced a flat 1981, with die casting metal consumption (in tons) near 1980 figures. Industry usage of aluminum is expected to decline 1.7 percent, zinc to increase 1.9 percent and magnesium (a much-less-used metal) to drop 21.7 percent.

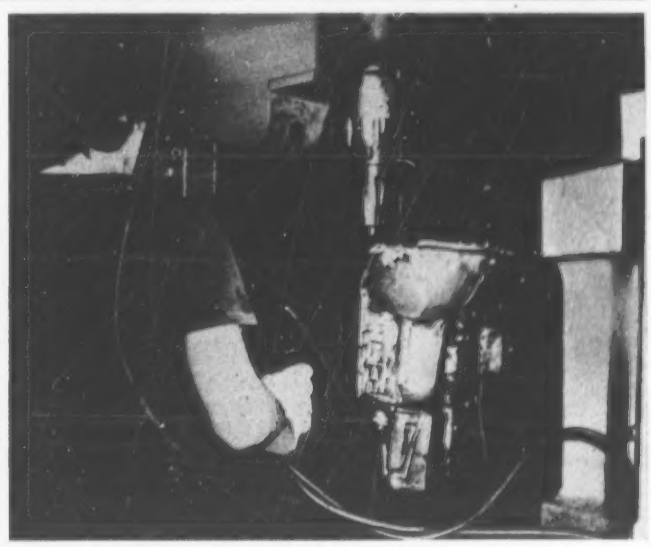
Sales volume in 1981 for the entire die casting industry was expected to decline 5.6 percent from $5.75 to $5.42 billion. In addition to the weak economy, a contributing factor was the decline in the price of aluminum ingot.

Findlay

Armstrong

Andresen

Viland



Die casting traditions are being shattered.

Comparison of Die Casting Production

1980 vs. estimated 1981 (Millions of Pounds)

Metal	Custom 1980	Custom 1981	Custom Change	Captive 1980	Captive 1981	Captive Change	Custom & Captive 1980	Custom & Captive 1981	Custom & Captive Change
Aluminum	530	520	— 1.8	904	890	— 1.5	1434	1410	— 1.7
Zinc	390	410	+ 5.1	238	230	— 3.9	628	640	+ 1.9
Magnesium	8.4	6.1	—27.4	4.5	4.0	—11	12.9	10.1	—21.7
Other	3.2	3.3	+ 3	23.7	30.0	+26.6	26.9	33.3	+23.8

Source: American Die Casting Institute

Findlay traditions are being shattered by the current economy. Formerly, involvement in automotive, appliance, defense or other sectors would signal growth when those sectors expanded. Today some die casters in a selected market are extremely busy while others are slack.

This is because of product mix. Suppliers to small cars, for example, have robust sales. "Success in the 1980s will depend on management's careful analysis of those new jobs and customers that offer maximum sales potential for the future," Findlay says.

As for the future, aluminum, high-aluminum zinc alloys and magnesium offer bright marketing opportunities for die casters, according to three metal specialists. Motivating factors include new requirements for lightweight parts, new production developments and new sources of supply, say G. Leslie Armstrong, vice president of metallurgy and technical services for U. S. Reduction Co.; Dean Ferres, marketing consultant, Fercom Group; and Joseph Viland, sales director for Amax Specialty Metals Corp.'s Magnesium Div.

"Aluminum is an important material for die casters because it can be used in alloying elements to produce certain desired characteristics not present in either of the two materials alone," Armstrong notes. "Aluminum is also a critical factor in hypereutectic alloys that contain 16 to 18 percent silicon. A base of 70 percent aluminum is used in producing these materials designed for hardness and wearability."

According to Ferres, two new high aluminum zinc alloys, first employed in the 1970s, are opening new frontiers for zinc in gravity castings. "These new alloys—Tg 12 and Tg 27—provide significantly better tensile strength and hardness accompanied by natural lubricity with only a modest difference in cost," Ferres notes.

"The alloys can substitute for conventional zinc or aluminum castings that have failed, can replace parts machined from iron, can supplement aluminum in some applications, can frequently permit the elimination of inserted bearings for cost reductions, they provide finishing versatility, and may replace bronze in many applications."

"With 30 years of use, magnesium has proven to be a metal whose future is today," Viland claims. "In past years, magnesium has suffered from scarce availability, dramatic price increases and the high energy costs to refine it. Today, there are several metal suppliers and energy costs are not far above those for other metals.

"Because of an expected excess of supply the next five years and the material's proven performance record, magnesium offers die casters good business opportunities," he says.

• Die casters have developed an enormous interest in productivity the last few years, according to William T. Andresen, technical director for the American Die Casting Institute, the trade association of the $6 billion die casting industry.

Building on this interest, ambitious research programs have been set for the next five years, Andresen says, especially to improve the life of aluminum die casting dies.

"By 1983, research will be completed to determine the effect of sulfur on the performance of H-13 die steel and to create a manual that explains proper care and use of die steels," he says.

"The effects of forging on the performance of die steel will be studied for the next three years and by the end of 1984 we hope to report on effects of corrosion."

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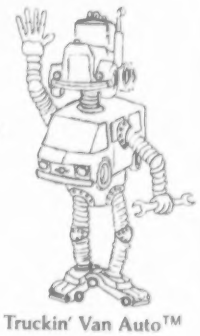

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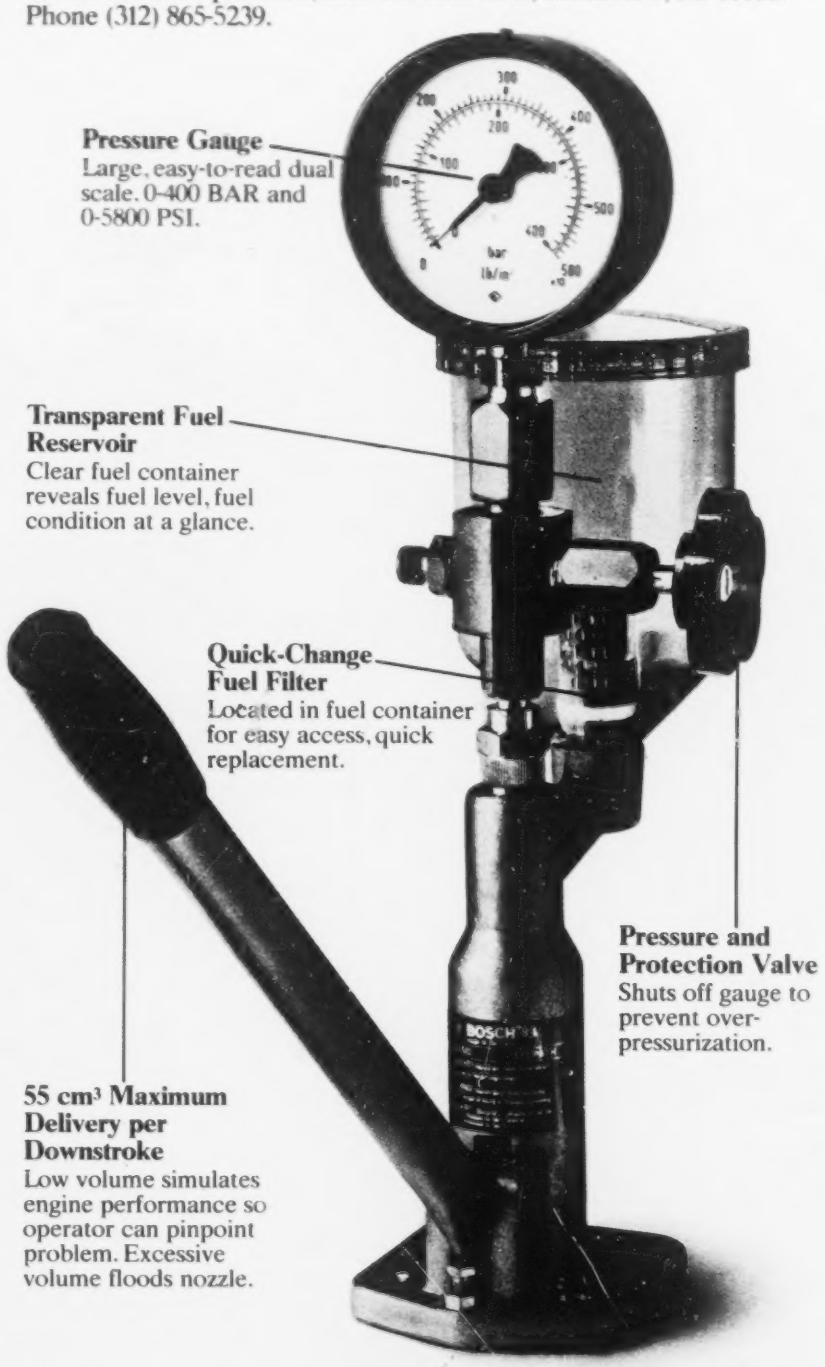
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Electronics jumping

The U. S. market for original equipment auto electronic systems will jump from $1.6 billion in 1980 to $17 billion by 1995, says Predicasts Inc.

The Cleveland-based business information and market research firm says this represents an expenditure of $1,380 per car in 1995, up from about $250 in 1980.

Real growth in OEM electronics will average 12 percent annually, with price increases boosting sales gains to 17 percent per year through 1995.

Predicasts notes the industry will be less affected by inflation than the economy as a whole due to increased economies of scale and the ability of several electronic components to combat inflationary pressures.

The study targets engine control and safety systems as two sectors expected to witness particularly rapid gains. Primarily as a result of growth in electronic fuel injection, engine controls will near $5.4 billion in 1995, up from $278 million in 1980.

As auto makers strive to control noxious engine emissions and increase fuel efficiency — efforts prompted by government intervention — the development of sophisticated control systems becomes paramount.

The study states that it is "apparent that traditional electromechanical, mechanical and fluid power systems are not sufficient to yield the performance standards legislated for the future; only a computerized system of sensors and adjustments can accomplish the task."

Electronic safety systems — including brake and restraint systems as well as anti-theft devices — will witness a sales growth in excess of 38 percent annually, reaching $4.2 billion in 1995.

Although Predicasts does not anticipate mandatory implementation of passive restraint systems, the study does expect sales to be bolstered by tax and insurance incentives, if not legislative ones.

Ignition systems, already standard on gas-driven American cars, will nevertheless reach $2.8 billion in 1995. Entertainment and comfort systems are also a comparatively mature market. Predicasts attributes their $2.6 billion 1995 market primarily to increases in auto production and consumers' trade-up to multi-band radios or tape player/radio combinations. As a percentage of originally installed electronics, this sector's market share will decline.

Predicasts analysts observe growth in other electronic systems such as electronic clocks, voltage regulators and delayed wiper systems. Trip computers have the greatest potential in this sector due to their appeal to "Americans' penchant for gadgetry."

Predicasts analysts observe that although electronic engine control systems are important, they are not glamorous, and they expect auto makers to draw customers on the basis of more tangible passenger-compartment electronic features.

The auto electronics boom is expected to result in a $3 billion OEM market for electronic components by 1995.

U. S. OEM Auto Electronic Systems

	1980	1995	% Annual Growth Historic	% Annual Growth Projected
New Car Sales (000)	6534	12250	—1.0	4.3
$auto electronics/car	248	1383	18.3	12.1
Auto Electronic Systems (mil $)	1617.9	16939	17.1	16.9
Ignition	756.6	2837	—	9.2
Fuel, Speed & Engine Control	278.1	5370	28.1	21.8
Electronic Safety	32.8	4205	—	38.2
Entertainment & Comfort	436.7	2637	6.3	12.7
Other Electronic Systems	113.7	1890	—	20.6
Electronic Components (mil $)	207.7	3120	24.0	19.8
% of Auto Electronics	13	18	—	—

Source: Predicasts Inc.

Product demand flat until last half

Demand for automotive products will continue in the first half of 1982 at the current 1981 level, followed by a noticeable upturn in the second half, according to William A. Raftery, president of Motor & Equipment Manufacturers Assn. (MEMA).

"Throughout the rest of this year and 1982," he predicts, "we'll see continuing improvement in the demand for shop-related services as motorists continue to stretch out the age of the average vehicle and accumulate maintenance and repair requirements."

Continuing economic uncertainties in the first half, he believes, will keep a clamp on consumer spending, with demand registering more for functional necessities and fluctuating with the availabiilty of field inventories.

Both manufacturer and direct-buying customer, contends Raftery, will continue to pay close attention to asset management. New product introductions will be subject to more advance research and testing than ever, he foresees, with continued trimming of unproductive lines and further inventory tightening more the order of the day.

Suppliers will put more emphasis than ever on cash flow, while their customers will be looking at the same time for more financial support, according to Raftery.

Ironically, he notes, the continuing need for tight inventory management and credit and cash control are helping MEMA's efforts to extend its Transnet Division's order entry and price update services, the services of its Credit Information Group, and services of its Collection and Rehabilitation Group, to a broader base in the industry.

"We established all three of these facilities," he relates, "in response to needs evolving in relatively good times for the industry. Now, for some companies, they are proving to be timely and valuable contributors to current cash-flow needs."

Lease and rental market bullish

By Francis J. Gawronski
Service Editor

Things are bullish in the automotive fleet business for 1982.

With companies and individuals leasing everything from cars and trucks to computers and airplanes, equipment leasing in the U. S., according to industry sources, doubled in 1980 to $30 billion. Currently, nearly 25 percent of all equipment purchases are leased, compared to 10 percent a decade ago.

There are few reasons to convince forecasters that leasing and rentals will not continue to climb in the years ahead.

Fran Hazelroth, director fleet programs, U. S. Automotive Sales, Chrysler Corp., is typical of industry executives expressing optimism.

With fleet sales of cars and trucks amounting to 166,000 units in 1981, the company is forecasting a 12 percent increase in 1982, or some 175,000 units.

Another optimistic outlook comes from Hal Barton, leasing and fleet sales manager, Lincoln - Mercury Division, Ford Motor Co.

Noting that L-M dealers delivered 27 percent more cars to fleet buyers during the 1981 model period (121,219 units) than in 1980 (95,529), Barton says 1982 fleet sales are expected to rise 15 percent over 1981.

Other auto makers oozing confidence about 1982 fleet business are Pontiac which forecasts a 35 percent increase over 1981; Chevrolet, up 20 percent; Ford, 17 percent; Buick, 13 percent; and Oldsmobile, 10 percent.

The bright outlook for the lease-rental industry is endorsed by Bennett E. Bidwell, president, Hertz Corp., New York, during a speech at a recent meeting of the American Automotive Leasing Assn.

Bidwell, a former vice president of Ford Motor Co., noted the industry has changed during the past five years, in the direction of expansion and increased

Fran Hazelroth

Bennett Bidwell

profits, if not better margins.

Bidwell said that because "this industry has grown in the face of weakness in the auto industry, in the economy generally, and in spite of interest rates and money market conditions that could well have choked it, bodes well for its future in happier economic circumstances.

"The current rising curve of leasing sales must be linked then, to what some economic observers call a trend away from ownership in America today," Bidwell said. "Until recently, possession wasn't merely nine-tenths of the law, it was nine-tenths of everything."

Bidwell said that, over the last 10 years, ownership has been yielding to usership. Mortgage money is tight and many families are thinking twice about trading up to bigger homes or to bigger cars.

"The truth is, with gasoline at the pump about $1.50 and more per gallon, and the price of a new, midsized car averaging out at $8,000 or more, the automobile seems not quite the investment it once was," Bidwell said.

As a hedge against inflation, according to Bidwell, "safety against depreciation is the most highly prized asset of all, and ownership of that most depreciable of all assets, the automobile, is becoming increasingly less exciting.

"Yet America remains a nation on wheels, and as ownership declines, that points to only one thing—new growth in the rental and leasing markets," he said.

"The rising cost of owning an automobile will encourage even the average retail customer to consider leasing as a preferable alternative, while corporate fleet usage will see dramatic growth," Bidwell predicted.

"High interest rates will stimulate the use of floating rate lease arrangement," he said. "Already these factors have been reflected in the growth of the closed-end lease marketplace.

"More and more dealers are stressing their leasing programs, while banks and other lending institutions have become increasingly involved in leasing, either directly, or by buying paper from dealers and independent lessors," Bidwell said.

According to Bidwell, the rising cost of all aspects of owning and operating a vehicle have prompted the larger lessees to seek professional management programs.

In the case of smaller fleet operators, Bidwell said the closed - end, full - maintenance contract has taken on new attractiveness as a method of holding costs steady and predictable.

Bidwell said the recently passed Economic Recovery Act of 1981, which redefines and liberalizes leasing, also will serve as an incentive for more individuals and companies to enter the leasing market.

"In short, leasing or renting is becoming a new way of life in this country," he said. "In the mid-term, it will continue to grow."

• As for fleet composition in 1982, administrators are ordering more smaller cars powered by smaller engines.

Seventy-five percent of 1982-model-year new-car orders will be for compacts and subcompacts, according to a survey of its members by the National Assn. of Fleet Administrators (NAFA), New York. The figure for 1981 was 60 percent.

NAFA says fleet managers of 124 commercial fleets it surveyed plan to buy or lease more than 39,000 new cars in the 1982 model year, compared with 37,000 acquisitions in the 1981 model year.

Thirty fleet administrators reported they will order four-cylinder engines in their compact and subcompact cars; 10 said they would order six-cylinder engines, and five indicated they would order diesels for the first time in 1982.

More than 60 percent of the new cars will be four-door sedans and five-door hatchbacks.

Driver comfort is beginning to be bypassed in many fleet orders, with 15 fleet executives saying they will opt for manual transmissions, especially in compact and subcompact cars. Air conditioners remain on all cars, regardless of size, according to NAFA.

Mid-range priced cars are becoming more popular, according to NAFA. Sixty-nine percent of new cars in 1982 will be middle, 22 percent top-line cars, 8 percent bottom line, and one percent sports and specialty models.

Thirteen Canadian fleets operating 3,436 cars participated in the NAFA survey. In 1981 these Canadian companies acquired 1,484 cars; in 1982 they plan to increase that to 1,567 new cars.

These new cars, according to NAFA, include 15 percent subcompacts, 28 percent compacts, 56 percent midsize and one percent large fleet cars.

Sixty-five percent will be middle-line models, 26 percent top-line, 8 percent bottom-line and one percent sports cars.

Seventy percent of the Canadian new-car orders in 1982 will be four-door sedans and five-door hatchbacks, NAFA says.

According to Gelco Fleet & Management Service Co. (GF&MS), Eden Prairie, Minn., the 1982-model year also marks the beginning of automotive changes that could have a "devastating effect on corporate fleet managers unless they are prepared to evaluate current market conditions and incorporate new strategies into their planning processes."

GF&MS publishes an annual fleet guide that not only compares new cars of the major manufacturers, but also examines a set of current market conditions that, in combination, has an impact on the traditional corporate fleet management program.

Among the conditions are continually rising fuel prices, an accelerated new-vehicle introduction program, and escalating maintenance costs.

In dealing with these conditions, Gelco recommends fleet managers incorporate the following into their vehicle management programs for 1982:

• An intelligent fuel monitoring capability. Switching to more fuel-efficient vehicles is only part of the solution to rising fuel-cost problems. Gelco says fleet managers must have systems in place to accurately track and monitor the cost of fuel.

• A comprehensive maintenance program. The emergence of self-service stations has reduced regular maintenance activity. Gelco contends it is imperative that fleet managers develop a system to provide regular car care and assure maximum resale value.

• An intelligent new-car selection plan. With manufacturers introducing totally new vehicles every six months, fleet managers must be aware of features that will offer high performance and low depreciation. Gelco notes that front-wheel drive, cruise control, four-cylinder engines and compact size will be important features throughout the decade.

• Reexamination of used-vehicle disposal methods. Gelco notes that today's fleet vehicle is capitalized at approximately $7,600. To retain car value and justify operating expenses (in light of more frequent new-car introductions), fleet managers must reevaluate used - vehicle channels to avoid excessive depreciation losses.

Tire makers expect turnaround

"We're not out of the woods, because of the continued slump in new automobile sales. But we can now see light at the end of the tunnel and, for once, the light isn't an oncoming train," says Donald G. Brotzman, president of the Rubber Manufacturers Assn., Washington, D.C.

"RMA statistical people, having consulted with industry experts, tell me nearly all sectors of the rubber industry are expected to improve in coming months and years, provided there is progress in Detroit," he adds.

RMA's tire forecast shows total shipments of 166.2 million passenger-car tires in 1981, rising to 177 million in 1982 and 183.3 million in 1983.

That's slightly above the expectations of the industry's biggest company, Goodyear. A company spokesman says, "After skidding to the lowest level in more than a decade, tire industry sales at both original equipment and replacement turned around in 1981 and are expected to show considerable increases in 1982.

"The total auto tire market in 1981 is expected to reach 160.8 million units, up about 1 percent. Next year, the overall market is expected to rise 7 percent to 172 million tires."

At the original equipment level, since record year 1977 when the industry supplied 58.1 million auto tires to car makers, sales skidded annually to the low in 1980 of 36.8 million units. This year, Goodyear says, sales are expected to total 37.5 million with next year's total climbing to 42.0 million, up 12 percent.

The replacement industry bottomed in 1980 at 122.4 million units, down from the record 148.8 million in 1978, according to Goodyear, which expects 1.3 percent increase in 1981 and another "nearly 5 percent increase" in 1982.

"People who are putting off purchases of new cars are still continuing to drive their old cars," says Brotzman. "As a result the replacement tire market is stronger than a year ago. The soft spot is original equipment sales and we hope they'll firm up soon."

In the industrial products sector, U. S. demand for industrial hose, flat belts and V-belts is expected to increase 18 percent over the next five years. Sales for 1981 were estimated to be 12 percent over 1980.

In molded, extruded and lathe-cut rubber products, the outlook shows improvement after a dip in 1978. "Our statisticians now estimate a total U.S. production in these lines at $2.09 billion dollars in 1981 and $2.2 billion dollars in 1982," says Brotzman.

On the labor relations front, the overriding issue is the impending negotiations affecting most major rubber companies next year. Contracts with the major tire companies expire April 20.

"I don't believe anyone in our industry expects this to be an easy round of negotiations," says Brotzman.

The Rubber Manufacturers Assn.'s Industrial Products Division expects an upswing in all products next year through 1986. Its market forecast is prepared in cooperation with over 80 companies.

Totals for each product represent U. S. demand including domestic shipments less exports, plus imports. Figures are in millions of dollars, and are at a fixed level in constant dollars, at the value of the dollar in 1981. Figures for 1980 are reflected in 1980 dollars.

The products covered in the forecast are: All reinforced hose, rubber or plastic, except garden hose; all conveyor, elevator and flat transmission belting of rubber or plastic; all power transmission belts, including industrial and automotive other than flat, of rubber or plastic, including belts made for original equipment and replacement.

	1981	1982	1983	1984	1985	1986
Hose	$970	$1,025	$1,055	$1,085	$1,120	$1,150
Flat Belting	320	330	340	350	355	365
V-Belts	405	430	455	465	475	485

U. S. Tire Market Forecast

1981 - 1983 (millions of units)

	1981	1982	1983
Passenger car tires			
Shipments			
Original Equipment	40.2	48.0	52.2
Replacement	126.0	129.0	131.1
Production	155.5	167.0	174.0
Truck & bus tires			
Shipments			
Original Equipment	6.5	7.9	8.4
Replacement	29.2	31.0	32.0
Production	33.5	35.5	36.8
Tractor-Implement tires			
Shipments			
Original Equipment	1.7	1.9	2.0
Replacement	2.6	2.8	2.9
Production	N.A.	N.A.	N.A.

The figures are a concensus forecast by the RMA and not necessarily the outlook of individual RMA member companies. Note: (na) no forecast made.

Estimated U. S. Production for Molded, Extruded and Lathe Cut Mechanical Rubber Products

(millions of dollars)

	1980	1981	1982
Total Molded Goods	$1,460	$1,656	$1,757
Total Extruded Goods	334	376	384
Total Lathe Cut Goods	52	58	59
Grand Total Mechanical Molded, Extruded & Lathe Cut Goods	$1,846	$2,090	$2,200

Forecast by the Statistical Committee, Molded & Extruded Products Division, RMA.

Where the action is

Aftermarketers project solid growth in '82

By Marc Stern
Staff Correspondent

If there is one part of the automotive business that is optimistic about 1982, it's the aftermarket.

Faced with the same problems that have rocked the rest of the industry — high interest rates and cost pressures — aftermarketers are projecting a growth of 10 to 15 percent for 1982.

The reason is obvious, according to Alan Barron, owner of St. Louis-based Midwest Foreign Imports: "People are putting off working on their cars and we're looking for a real good spring. You see, you can only drive cars so long before they go."

He bases that observation on a traditional market trend which hasn't been seen so far this season — the rush for antifreeze: "Most parts places haven't had the usual run on anti-freeze and we've already had a couple of mornings below 20. So it's got to break."

He also notes this neglect will prove costly for car owners. Instead of protecting their cars with routine service that would cost only $30 to $40, owners who neglect that work may face repair bills of several hundred dollars because of potential damage to their cars' cooling systems or engines.

Until the market breaks, though, Barron's guiding policy is remaining "as liquid as possible." He is cutting back inventories and stressing smaller orders and more limited parts stocks.

• Even more optimistic than Barron is Fran LaBrecque, president of the ADAP automotive chain in Avon, Mass. He predicts a 40 percent growth in 1982 for his New England chain. "ADAP will become a marketer, but we'll be a retailer first," he says.

Although optimistic on ADAP's outlook, LeBrecque notes 1982 will be a "generally conservative year in the parts business, with liquidity the name of the game." He also believes the parts business must become more sophisticated out of necessity. "Four years ago, it was all profit. Today it's cash flow. People are cutting inventory and cutting back," he says.

Because of the high cost of money, LaBrecque says it is prohibitive to keep large inventories of slow-moving items, and jobbers, warehouse/distributors and retailers must become selective in stocking requirements.

LaBrecque is practicing what he preaches. On fast-movers such as tune-up kits, oil filters and oil, he is keeping inventory up because of the "high turn" rate off shelves and the cash flow it generates.

"Our slow-movers are gone. When capital was cheaper, you could stock a lot of stuff, but now that's changed," says LeBrecque.

He predicts that because of this trend, some parts will become scarcer as fewer are ordered by the aftermarket.

Also forcing sharper business practices by parts dealers is a move away from "dating" on bills by parts manufacturers.

With this system, a parts dealer could order a six-month supply with a minimum of nine months to pay (six months, plus three more for final payment).

Those days are gone. Parts manufacturers, for the most part, now require payment in 60 days, which is putting a strain on some dealers and requiring a change in business practices.

Ken Griesman, director of marketing for Beck-Arnley, an import-auto parts supplier, projects 15 percent growth in 1982. He agrees a potential parts boom is in the offing.

"We have excellent sales of bearings and gaskets," says Griesman, who expects many import-car owners will continue to repair their aging vehicles. "Like the old Beetles, they'll get repaired and repaired," he says.

Harry Holzwasser, president of auto parts remanufacturer Arrow Automotive, Framingham, Mass., expects an "up situation" for the remanufacturing segment of the aftermarket.

Says Holzwasser: "I think most of the reason, to use a Lee Iacocca term, is 'sticker shock.' As a result, more people are refraining from buying new cars, and the median age of the U. S. automotive fleet is rising. These cars have to be candidates for repair."

"The future for remanufacturing is brighter than the rest of the aftermarket," he says. "The cost factor of new parts versus remanufactured parts is a great part of the picture. Remanufacturing offers potential savings of 30 to 65 percent over new parts."

Holzwasser expects a shakeout in the overall aftermarket: "Companies with good financial strength and good management are in position to take advantage of future growth. Companies that are undercapitalized or need short-term borrowing are in trouble because of high interest rates."

Entrance by Ford Motor Co. (Motorcraft) and General Motors (AC-Delco) into the mass merchandising - warehouse/distributor-jobber and retail market is observed with interest by ADAP's LaBrecque, who calls it "a radical departure." LaBrecque notes they are concentrating on the "100 or 120 quickest-moving parts, rather than a full line of 9,000 parts numbers."

According to Motorcraft national sales manager Robert Edwards, "1981 was a pretty good year for us, 115 percent of 1980. It was only a little growth, but we're pleased with it." He expects growth in 1982 to be about the same.

Why did Motorcraft enter the "blister-pack" parts market? "It all relates to the do-it-yourself market. There has been an explosion over the last five years," Edwards says.

Plainly, Motorcraft wants a piece of the $40 billion aftermarket. "We use the warehouse/distributor to jobber system, and 35 percent of his business (the jobber's) is retail," says Edwards. "In the old jobber store, the counter was up front; now it's at the back and he has display products up. It's created a demand for a retail type package.

"To be competitive, we repackaged into attractive boxes and went to four-, six- and eight-plug boxes."

Another trend in the retail aftermarket is the emergence of part-store chains, such as CarQuest or ADAP (formerly American Discount Auto Parts).

Jobbers, needing marketing help have turned to these chains, as the trend moves away from independent jobbers.

This has created two major channels of distribution: One is the traditional route through warehouse/distributor to auto dealer market; the other is from the warehouse/distributor to the retail market.

Motorcraft is involved in both channels, and Edwards says there are now only two "full-line parts suppliers in the business, Motorcraft and AC-Delco."

"An advantage of doing business with a company like Ford is that, instead of dealing with many lines and different systems, the parts dealer only has to work with one system," Edwards says.

J. Robert Smith, general director of AC-Delco, agrees with Edwards. In fact, GM reorganized AC-Delco to take advantage of the changing market conditions, becoming an independent subsidiary.

The potential of the $40 billion aftermarket "speaks to our reorganization effort," Smith says. "We wanted to put more emphasis on the traditional (channels of distribution), plus go after the oil company-tire company mass market. We wanted to fine tune the marketing effort for warehouse-distributors, but also wanted to make parts available to the broadest possible spectrum."

Delco was reorganized to put more people at the field level to better service warehouse-distributors. "We wanted to make GM aftermarket parts available to the GM owner on the widest possible basis, and provide the very best service we possibly can," Smith says.

AC-Delco, in conservatively assessing potential aftermarket growth, compares it to the Gross National Product. It estimates real aftermarket growth in the two percent range for 1982. However, with inflation factored in it comes to about 14 percent growth, which is in line with other predictions.

AC-Delco believes that increasing technology used in cars, such as electronics, new engines and front - wheel - drive, will prompt people who traditionally did their own service work to take their cars to service technicians.

Demographics also figure in the service picture. As the 18 to 34-year-old segment of the population declines in the next 10 years, there will be fewer do-it-yourselfers, with a corresponding increase in demand for service technicians and their services.

For now, though, aftermarketers are taking advantage of the do-it-yourself market while preparing for future changes.

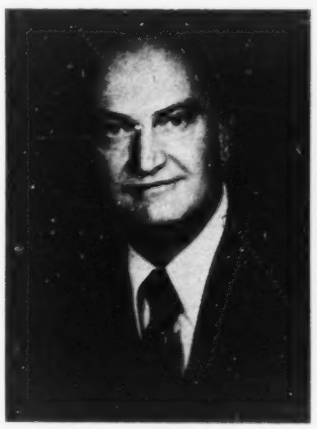
From the retailer's standpoint, this is a welcome change, according to LaBrecque, whose ADAP stores can offer "genuine parts instead of having to try and obtain them by other means."

With Chevrolet's recent departure from the warehouse/distributor market, there opens a potential market for parts manufacturers, and gives jobber-retailers and warehouse/distributors greater access to parts. "They can even have their own store brand labels put on," LaBrecque says.

All in all, the 1982 aftermarket should experience modest growth and spirited competition.

"It will be interesting watching the market in the next 24 months," LeBrecque says.

Holzwasser expects shakeout.



Smith sparks AC-Delco.

Griesman sees potential parts boom.

The global automotive aftermarket will surpass $65 billion (constant 1975 dollars) in 1995, up from $32 billion in 1979, according to Predicasts Inc., Cleveland-based business information and market research firm.

Predicasts economists anticipate design developments which will require more complex, higher priced replacement components. These and an increasing penetration of electrical and electronic equipment will provide the major impetus to aftermarket sales growth through the 1990s.

As examples, Predicasts cites the gradual introduction of electric vehicles using a different caliber of battery; advances in electronic ignition systems, sophisticated control devices and fuel injection; and increases in entertainment and comfort accessories. These factors will offset the slackening per-vehicle sales, a result of increased part durability and slowed auto registration levels.

Market shares of major aftermarket components will remain fairly stable. Accessory sales' percentage of the total aftermarket will increase slightly as per capita income expands, particularly in developing countries. Tire sales' market share, however, will decline as longer-life radials find increasing acceptance.

Developed countries will continue to dominate world sales, accounting for four-fifths of the global aftermarket in 1995. U. S. sales alone will represent 33 percent of the world total at that time.

However, Eastern Europe — particularly the U.S.S.R. — will have the fastest growing aftermarket. In this region, consumer demand for automobiles is just beginning to be recognized and, due to a time lag in technology, replacement rates tend to be higher.

World Aftermarket Sales

ITEM	1979	1995	% Annual Growth
Sales by Product (millions $)			
Tires	9504	18464	4.0
Batteries	1876	3953	4.8
Other Electrical	2827	5890	4.7
Nonelectrical	10639	21193	4.4
Accessories	7215	15853	5.0
Total	32361	65353	4.5
Sales by Region			
North America	14733	24127	3.1
Latin America	1690	5164	7.2
European Community	8281	15649	4.1
Non-EC Western Europe	1749	4138	5.5
Eastern Europe	1593	5108	7.6
African-Mideast	828	2353	6.7
Japan	2420	6300	6.2
Other Asia	354	1157	7.7
Oceania	713	1357	4.1
Total	32361	65353	4.5
Passenger Car Regis. (mil)	310.8	539.9	3.5
sales/registration	104.12	121.05	.9

Source: Predicasts Inc.

Most types lose favor; pop-ups gain

'81 buyers not sold on fancy roofs

By Joseph Bohn
Marketing Editor

What's on top no longer seems to matter to most car buyers. At least, they're not willing to spend the extra money to get a fancy roof for their cars, an AUTOMOTIVE NEWS survey reveals.

Vinyl tops, manual sliding and electric sliding sunroofs continued to lose penetration on '81 models, the survey showed.

There appears to be some future for pop-up sunroofs and T-roofs, however, as specialty items for some cars, but at this point their market share is still too small to tell.

All in all, the optional roofs don't appear to be one of the car buyers' greatest concerns.

Industrywide, only 22.74 percent, or 1,536,791 domestically built cars, came equipped with vinyl roofs in the '81 model year. That was off from 24.03 percent or 1,717,050 on '80 models.

At one time, vinyl roofs went on over 40 percent of domestic cars, but their popularity is shrinking in proportion to that of the full-sized-car market.

Manual sliding roofs continue to be offered only by Volkswagen, where they accounted for 19.80 percent of domestically built '81 Rabbits, or 35,649 units in total.

That was off from 46,886, or 21.00 percent in '80.

Electric sliding sunroofs were down to a scant 1.11 percent of industry output, equal to 74,824 units.

That was off from 1.24 percent, or 88,649 in '80.

Pop-up sunroofs appear to be a coming item, but the numbers are still very small.

They accounted for 2.46 percent of industry production, equal to 166,017 units, in the '81 model year. That was up from 1.86 percent or 132,703 in '80.

Best suited to small, sporty cars, pop-up sunroofs accounted for 36,640 AMC models, or 26.72 percent of the company total.

That was up from 5,103 or 2.58 percent in '80.

Chrysler installed them in 11,345 cars, equal to 1.55 percent of '81 output. That was up slightly from 10,034, or 1.31 percent in '80.

Ford Motor installed the item in 6.35 percent of its '81 cars, equal to 95,436 units. That was up from 5.05 percent, or 69,325 units in '80.

At Ford, the pop-up sunroof proved extremely popular on EXP, Capri and LN7, where its installation rate was between 20 and 30 percent.

At General Motors, the new Cimarron, scoring a 29.00 percent installation rate, gave a boost to pop-up roofs.

Overall, GM installed the item in only 0.54 percent of its cars, however, equal to 22,586 units. That was off from 48,241, or 1.05 percent in '80.

Volkswagen doesn't offer a pop-up roof.

T-roofs continued to gain popularity on selected models, particularly boosted by Corvette, where it is standard.

Industrywide, some 151,963 T-roofs were installed last year, accounting for 2.25 percent of production. That was up from 1.71 percent or 121,987 in the '80 model year.

Connecticut Chevy unit elects Micki Dworin

EAST HARTFORD, Conn. — Micki Dworin has been elected president of the Connecticut Chevrolet Dealers Assn. She is the first woman president to be elected by a Chevrolet dealer association.

Mrs. Dworin and her husband, Hy, operate Dworin Chevrolet here.

DECORATIVE ROOF OPTIONS ON 1981 U.S. MODELS

	Vinyl Roofs	Percent of Output	Manual Slide Sunroof	Percent of Output	Electric Slide Sunroof	Percent of Output	Pop-Up Sunroof	Percent of Output	T-Roof	Percent of Output
AMERICAN MOTORS	37,733	27.51	N.A.	—	N.A.	—	36,640	26.72	N.A.	—
Spirit	N.A.	—	N.A.	—	N.A.	—	1,425	3.20	N.A.	—
Concord	33,840	61.40	N.A.	—	N.A.	—	544	1.00	N.A.	—
*Eagle	3,893	10.40	N.A.	—	N.A.	—	1,695	4.50	N.A.	—
CHRYSLER CORP.	92,885	12.66	N.A.	—	1,781	0.24	11,345	1.55	900	0.12
C-P Total	62,987	14.94	N.A.	—	1,299	0.31	5,966	1.42	403	0.10
Horizon	N.A.	—	N.A.	—	N.A.	—	875	1.00	N.A.	—
Reliant	27,641	13.50	N.A.	—	N.A.	—	1,433	0.70	N.A.	—
TC-3	N.A.	—	N.A.	—	N.A.	—	3,658	7.00	N.A.	—
Gran Fury	N.A.	—	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Cordoba	13,150	64.80	N.A.	—	670	3.30	N.A.	—	365	1.80
LeBaron	12,357	32.20	N.A.	—	153	0.40	N.A.	—	38	0.10
Chrysler	9,839	93.00	N.A.	—	476	4.50	N.A.	—	N.A.	—
Dodge Total	29,898	9.58	N.A.	—	482	0.15	5,379	1.72	497	0.16
Omni	N.A.	—	N.A.	—	N.A.	—	585	0.90	N.A.	—
024	N.A.	—	N.A.	—	N.A.	—	3,686	7.40	N.A.	—
Aries	17,567	11.10	N.A.	—	N.A.	—	1,108	0.70	N.A.	—
Diplomat	3,754	17.50	N.A.	—	64	0.30	N.A.	—	21	0.10
Mirada	6,556	55.10	N.A.	—	369	3.10	N.A.	—	476	4.00
St. Regis	2,021	36.60	N.A.	—	49	0.90	N.A.	—	N.A.	—
FORD MOTOR	335,441	22.30	N.A.	—	N.A.	—	95,436	6.35	25,529	1.70
Ford Division	149,944	14.67	N.A.	—	N.A.	—	59,155	5.79	18,986	1.86
Escort	N.A.	—	N.A.	—	N.A.	—	10,905	3.40	N.A.	—
EXP	N.A.	—	N.A.	—	N.A.	—	16,621	23.20	N.A.	—
Fairmont	23,480	14.60	N.A.	—	N.A.	—	4,825	3.00	N.A.	—
Must./Must. II	9,493	5.20	N.A.	—	N.A.	—	21,360	11.70	18,986	10.40
Granada	37,130	30.60	N.A.	—	N.A.	—	849	0.70	N.A.	—
T-Bird	39,359	45.40	N.A.	—	N.A.	—	4,595	5.30	N.A.	—
Ford	40,482	51.80	N.A.	—	N.A.	—	N.A.	—	N.A.	—
L-M Division	185,497	38.48	N.A.	—	N.A.	—	36,281	7.53	6,543	1.36
Lynx	N.A.	—	N.A.	—	N.A.	—	5,263	4.70	N.A.	—
Capri	N.A.	—	N.A.	—	N.A.	—	20,572	34.90	6,543	11.10
Zephyr	11,905	17.90	N.A.	—	N.A.	—	2,860	4.30	N.A.	—
Cougar	27,363	51.00	N.A.	—	N.A.	—	322	0.60	N.A.	—
XR-7	29,335	78.70	N.A.	—	N.A.	—	1,715	4.60	N.A.	—
Mercury	49,742	80.70	N.A.	—	N.A.	—	N.A.	—	N.A.	—
LN7	N.A.	—	N.A.	—	N.A.	—	5,549	24.70	N.A.	—
Lincoln	32,839	100.00	N.A.	—	2,107	6.40	N.A.	—	N.A.	—
Mark VI	34,313	93.50	N.A.	—	7,596	20.70	N.A.	—	N.A.	—
GENERAL MOTORS	1,070,732	25.47	N.A.	—	73,043	1.74	22,596	0.54	125,534	2.99
Buick Division	344,026	40.14	N.A.	—	18,105	2.11	4,602	0.54	3,773	0.44
Skylark	40,601	15.60	N.A.	—	N.A.	—	4,602	1.80	N.A.	—
LeSabre	44,869	50.30	N.A.	—	666	0.70	N.A.	—	N.A.	—
Century	53,873	37.30	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Regal	141,720	59.00	N.A.	—	4,980	2.10	N.A.	—	3,773	1.60
Electra	23,188	33.60	N.A.	—	3,989	5.80	N.A.	—	N.A.	—
Riviera	39,775	76.50	N.A.	—	8,470	16.30	N.A.	—	N.A.	—
Cadillac Division	104,683	41.50	N.A.	—	23,302	9.24	4,073	1.61	N.A.	—
Cimarron	N.A.	—	N.A.	—	N.A.	—	4,073	29.00	N.A.	—
Seville	N.A.	—	N.A.	—	5,135	18.00	N.A.	—	N.A.	—
Eldorado	N.A.	—	N.A.	—	10,222	16.90	N.A.	—	N.A.	—
Cadillac	104,683	70.20	N.A.	—	7,945	5.30	N.A.	—	N.A.	—
Chevrolet Division	93,166	5.57	N.A.	—	3,142	0.19	11,191	0.67	82,628	4.94
Chevette	N.A.	—	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Cavalier	N.A.	—	N.A.	—	N.A.	—	1,302	2.00	N.A.	—
Camaro	N.A.	—	N.A.	—	N.A.	—	N.A.	—	30,399	24.10
Citation	N.A.	—	N.A.	—	N.A.	—	7,854	1.90	N.A.	—
Malibu	14,963	6.60	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Monte Carlo	48,234	30.70	N.A.	—	3,142	2.00	N.A.	—	6,598	4.20
Chevrolet	29,696	16.20	N.A.	—	N.A.	—	2,035	1.10	N.A.	—
Corvette	N.A.	—	N.A.	—	N.A.	—	N.A.	—	45,631	100.00
Oldsmobile Division	398,942	42.41	N.A.	—	21,873	2.33	N.A.	—	7,264	0.77
Omega	21,027	14.20	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Cutlass	48,369	24.70	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Cutlass Supreme	125,680	43.90	N.A.	—	6,684	2.30	N.A.	—	7,264	2.50
Oldsmobile	173,045	64.40	N.A.	—	6,813	2.50	N.A.	—	N.A.	—
Toronado	30,821	72.30	N.A.	—	8,376	19.60	N.A.	—	N.A.	—
Pontiac Division	129,915	27.01	N.A.	—	6,621	1.37	2,730	0.57	31,869	6.62
Firebird	N.A.	—	N.A.	—	N.A.	—	N.A.	—	27,319	38.50
Phoenix	7,497	5.90	N.A.	—	N.A.	—	2,730	2.10	N.A.	—
Grand Prix	49,622	45.80	N.A.	—	3,900	3.60	N.A.	—	4,550	4.20
LeMans	14,246	19.80	N.A.	—	23	0.00	N.A.	—	N.A.	—
Pontiac	58,550	57.40	N.A.	—	2,698	2.60	N.A.	—	N.A.	—
VOLKSWAGEN	N.A.	—	35,649	19.80	N.A.	—	N.A.	—	N.A.	—
Total Cars, U. S.	1,536,791	22.74	35,649	0.53	74,824	1.11	166,017	2.46	151,963	2.25

*Includes SX-4.

Note: Figures are generally based on U.S. production. However, Canadian-only sourced cars, such as Cordoba/Mirada, are included in some instances; also, some '82-only models, such as EXP/LN7 and Cimarron and Cavalier, built during the '81 model run.

Figures are based on production of 6,758,283 '81 models, including 4,204,064 GM cars, 1,503,946 Ford cars, 733,513 Chrysler models, 137,125 AMC and 179,635 Volkswagens.

GM's total includes 856,996 Buicks, 252,256 Cadillacs, 1,673,093 Chevrolets, 940,654 Oldsmobiles, and 481,065 Pontiacs. Ford's total includes 1,021,945 Ford Division and 482,001 Lincoln-Mercury models. Chrysler's total includes 421,525 Chrysler-Plymouths and 311,988 Dodges.

Autofest draws crowds

Downtown Lowell, Mass., became an outdoor auto show in October as the second local Autofest brought together customers and members of the Greater Lowell Auto Dealers. Highlighting the festivities was the drawing for a "mystery" car sold at cost to a local club which in turn raffled it off for a $5,000 profit.

October Autofest a part of Lowell's rejuvenation

LOWELL, Mass.—What began as an experiment to try and boost sagging automobile sales here in October of 1980 appears to have become an annual event that has captured the interest of thousands.

"We definitely will do it again next year," said Jim Witt, president of the Greater-Lowell Automobile Dealers, as this year's October Autofest closed with the drawing of the winning name for a "mystery" car by Massachusetts Gov. Ed King.

For the second year in a row, more than 16,000 people attended the mid-October downtown Lowell celebration that gave visitors an opportunity to view 1982 model cars displayed by every dealer in the area.

Witt said the show has become a real community event. It has helped humanize dealers and has given them a new image as representatives of an industry interested in the region and the people who live here, he said.

"We couldn't be more pleased with the help we received from City of Lowell officials, from downtown businessmen, the newspaper and the community at large," he said.

"There is something unique going on here and we are very proud to be part of it," said Witt, whose dealership handles Pontiac, GMC, AMC and Jeep.

Free entertainment, balloons, rides for youngsters and fine weather all combined to create a great deal of enthusiasm and support for the project. Downtown business people also cooperated.

The Lowell Sun, a 50,000-circulation daily newspaper serving northeastern Massachusetts and southern New Hampshire, promoted the show with a special auto section and news coverage.

Lowell currently is undergoing a physical revitalization and local dealers are seeking to make the Autofest an annual drawing card.

A highlight of the show was the drawing for a new "mystery" car, which remains so until it is revealed to the winner. All dealers lined up their compact cars with signs teasing, "Is this the mystery car?"

The actual car was selected by putting names of all the dealers in a hat and having the name drawn by a spectator just before a winner's name is selected.

The car raffle was conducted by the Friends of Lowell High School, a 600-member group that supports academic and athletic projects at the city's 3,000-student high school. Dealers sold the group a compact car at cost, and the Friends charged $2 each for raffle tickets.

This year, more than $5,000 was added to the school's scholarship fund as a result of the raffle.

Production costs said to be three times normal

Mexico fights high domestic-car bill

By Diego Lopez
Staff Correspondent

SAN JUAN DEL RIÒ, Mexico. — A Mexican - built automobile costs up to three times as much as a similar car manufactured in any other nation as a result of the failure of the price liberation policy implemented 21 years ago by the federal government.

The estimate came from a federal official, speaking at the Third National Auto Makers Meeting at Mansion Galindo, Queretaro, in November.

At the close of the meeting, President Jose Lopez Portillo told 300 parts manufacturers that unexpected external factors had forced the industry to make strong readjustments.

"But our position must be," he said, "to rely on careful planning rather than suffer from improvisation."

The president said gains must be consolidated and control must not be lost when problems arise.

Members of the cabinet also attended the meeting.

Undersecretary for Finance Jesus Silva Herzog said the Mexican auto industry is not competitive with the rest of the world. This is reflected by its inability to export vehicles, he said.

He said the 1980 auto trade deficit totaled $1.4 billion.

• "Price liberation for automobiles failed to provide expected results," he said. "Prices have soared to the point where a vehicle made in Mexico costs up to three times more than other auto-making nations such as Japan, the U. S. and various European countries," he said.

Silva Herzog noted production shortages in Mexican-made parts for cars and other vehicles raise prices even higher. He said the 60-percent domestic content requirement has not been met. The result is higher costs, caused by high import taxes on imported parts.

Vehicle imports in Mexico were halted by the federal government at the end of 1959. Prior to that time, imported cars were sold here at almost the same prices as in their countries of origin.

The recent government measures which halted imports of deluxe accessories lowered the quality of Mexican-made vehicles and pushed them another step from eventual export, according to one study.

Industrial Development Secretary Jose Andres de Oteyza said Mexico must manufacture cars for export rather than merely supply the domestic market.

He said that standardization of components is plausible. Efforts are being made so the auto industry can place its orders 12 months in advance, he said.

Calling portions of the industry "pockets of inefficiency," Oteyza pointed out that compact four and six-cylinder models should go into production by 1985 to keep within the limits of the National Energy Program.

He praised auto makers for the plants under construction which will begin production late this year. He said added production will reduce the import deficit by at least $400 million.

Hutchens' plaque

A 25-year dealer award is presented to W. L. Hutchens II, right, Hutchens Chevrolet, Inc., Newport News, Va., by R. L. Albinson, Richmond zone manager.

Used car sales
Auction Averages

December to date	$4,096
Month ago	$4,485
Year ago	$3,429

New trimmings for '82 Subarus

Subaru's 1982 line of front-drive hatchback models has new front styling and a number of other refinements. GL-trimmed versions have new dual rectangular headlights, a new dashboard, tilt steering wheel and a standard Hill Holder clutch with manual transmission.

1982 models bow with lighter maintenance schedules

Subaru gets facelift, equipment

Redesigned front ends, more standard equipment and easier maintenance highlight the 1982 Subaru line of front-wheel-drive and four-wheel-drive vehicles.

The '82 Subaru line consists of front-drive sedans, hatchbacks, hardtops and wagons, and four - wheel - drive hatchbacks, wagons and BRATs.

All 1982 Subarus have a new front-end design with new grille. The BRAT and highline GL and GLF models sport new dual rectangular halogen headlights. Others have single rectangular lights, except for the price-leader hatchback model, which retains round headlamps.

All manual transmission-equipped Subarus for '82 have a maintenance-free battery. Subaru has also extended the oil-change interval for all models to 7,500 miles. Spark plug and air-filter replacement isn't required until 30,000 miles.

Depending on the model, new Subaru options for '82 include a locking fuel-filler door, high-output stereo system, cruise control, power windows and power steering.

All '82 Subarus (except hatchbacks) have new, larger fuel tanks. Among the standard items that are new on highline Subaru models is a tilt steering wheel, new dashboard instrumentation and adjustable lumbar support for the driver's seat.

Subaru's Hill Holder device is now standard with manual transmission on all four-wheel-drive models, GLF and GL front-drive models and the DL wagon.

A new key system—actually three keys—is standard on all 1982 Subaru models. The master key works every lock in the car. A smaller second key works every lock also and is intended as a spare. The third key works only the doors and ignition and does not give access to the trunk or glovebox.

Standard and DL hatchback, DL sedan and DL hardtop models are equipped with a 1.6-liter horizontally-opposed four-cylinder engine. Other models are powered by a 1.8-liter horizontally-opposed four-cylinder engine.

Four-wheel-drive models and the standard price-leader hatchback model have four-speed transmissions, while other Subaru models are equipped with either a five-speed manual overdrive or a three-speed automatic transmission.

Model breakdown
Auction Averages

	DECEMBER TO DATE	NOVEMBER*	OCTOBER
1981	$6,369	$6,689	$7,074
1980	5,385	5,454	5,697
1979	4,319	4,657	4,922
1978	3,504	3,782	3,731
1977	2,559	2,733	2,927
1976	1,976	2,099	2,140
1975	1,264	1,562	1,628
1974	1,107	1,166	1,258
Overall Average	$4,096	$4,315	$4,364

*revised

Wagner bid accepted

EAST GRANBY, Conn.—The town has accepted Wagner Ford's $31,755 bid for a new plow truck. The 1981 Ford L-8000 five-speed diesel truck will replace the highway department's 1972 Ford gasoline model. The Wagner bid was the lowest of five.

used-car auction directory

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November total lowest for month since 1959

Sales continue downward trend

By Jenny L. King
Staff Writer

The new-car sales picture in November was as bad as many had predicted it would be, and there is no reason to think things will improve in December.

The domestic industry was down from its year-ago sales level as well as from October's meager total, and imports were down as well, though they increased their share of the total November market.

Domestic sales dropped 18.43 percent, to 431,726 from 529,288 in 1980, marking their worst November since 1959 when sales numbered 374,287. Back in 1972, the U. S. auto makers put together a remarkable 890,795 record high. The past month's sales were down 12.09 percent from the 491,107 reported in October.

Import sales of 152,939 were down 9.19 percent from 168,410 last year, but they comprised 26.16 percent of the total market, up from 24.13 a year earlier. Imports were strong in a season traditionally good for the domestics with their new models.

Domestic year-to-date figures slipped farther behind 1980: 5,848,710 vs. 6,106,832, a difference of 4.23 percent. Import sales for the 11 months numbered 2,159,901, down 2.56 percent from 2,216,611. Combined sales were down 3.67 percent, to 8,008,611 from 8,313,443.

• All the major domestic manufacturers dropped in November, from 13.06 percent for Volkswagen of America to 30.33 percent for American Motors. VWoA sold 9,423 U. S.-built Rabbits during the month, down from 10,838, while AMC tallied 9,448 sales this year compared with 13,561 in 1980.

Chrysler Corp.'s total of 45,011 was down 14.65 percent from 52,740 last year. Ford Motor Co. sales totaled 97,646, down 20.20 percent from 122,356. General Motors was down 18.07 percent, to 270,198 from 329,793.

GM earned 62.58 percent of the domestic market in November, up from 62.31 percent. Ford slipped to 22.62 percent from 23.12 percent. Chrysler increased its share to 10.43 percent from 9.96 percent. AMC dropped to 2.19 percent from 2.56 percent, and VWoA edged up to 2.18 percent from 2.05 percent.

Of the 14 U. S. makes, only two—two luxury makes—were up for the month. Lincoln sales climbed 7.10 percent over 1980 and Cadillac was ahead by 2.60 percent. Chysler's luxury counterpart, Imperial, suffered the greatest decline of all makes, its sales down 65.94 percent.

Also down were: Chrysler, off 31.16 percent; Plymouth, off 8.08 percent; Dodge, off 10.09 percent; Ford, off 24.12 percent, and Mercury, off 14.21 percent.

Chevrolet was down 20.75 percent, Buick was down 16.64 percent, Oldsmobile was down 9.97 percent and Pontiac was down 30.96 percent. VWoA dropped 13.06 percent and AMC was down 30.33 percent.

• The import sales total included good news for many of the European firms and sober results for the major Japanese auto makers. Import leader Toyota was down 1.47 percent from 1980, second-place Datsun was down 8.26 percent and Honda plunged 30.82 percent in November. Subaru sales were up a modest 3.21 percent, and Mitsubishi products, marketed by Chrysler Corp. dealers, all enjoyed sales increases during the month.

Audi sales climbed 36.57 percent over last year, Mercedes-Benz was up 30.82 percent, Peugeot was up 23.91 percent while setting a record for the month (1,078), Volvo was up 2.86 percent and Saab was up 37.91 percent. VW dropped 34.69 percent in its import sales.

Imports again earned the largest section of the monthly market, with 26.16 percent. U. S. compacts had 20.33 percent, intermediates were next at 19.44 percent, subcompacts had 17.20 percent, standard-size units were 11.04 percent and luxury models had 5.83 percent.

A year earlier the market class breakdown featured: Imports, 24.13 percent; intermediates, 22.26 percent; compacts, 22.20 percent; subcompacts, 15.42 percent; standards, 10.84 percent and luxuries, 5.15 percent.

• Of the domestics alone, 23.29 percent of November sales were subcompacts, 27.53 percent were compacts, 26.33 percent were intermediates, 14.96 percent were standards and 7.89 percent were luxuries.

Top-selling U. S. nameplates in November were headed by Chevrolet Citation, which had sales of 28,553. Second was Ford Escort at 22,147, then Chevrolet Chevette at 19,672, standard Chevrolet at 18,549 and Buick Skylark at 17,425.

Third-period domestic sales dropped 6.07 percent from 1980 as four of the five auto makers reported declines. GM fared best with a 1.21-percent drop. Ford was down 14.46 percent, Chrysler slipped 17.43 percent and VWoA was down 2.56 percent. Estimated sales for AMC were 2,700, identical to the year-ago figure.

Where Auto Market was in November

	Total Sales	Pct. of Total
SUBCOMPACT	100,560	17.20
COMPACT	118,870	20.33
INTERMEDIATE	113,671	19.44
STANDARD	64,569	11.04
LUXURY	34,056	5.83
IMPORT	152,939	26.16
TOTAL	584,665	100.00

IMPORTED CAR SALES

	Nov., 1981	Nov., 1980	11 mos., 1981	11 mos., 1980
Alfa Romeo	171	75	2,033	2,876
Audi	4,059	2,972	46,232	39,230
BMW	2,417	2,457	37,536	34,272
Challenger	883	753	11,680	12,156
Champ	3,274	2,539	38,918	52,957
Colt	3,393	2,462	39,602	48,255
Datsun	33,027	36,001	431,746	486,770
DeLorean	654	.....	2,367	.....
Fiat	1,191	1,635	30,961	34,132
Fiesta	.....	4,867	32,856	64,864
Honda	22,010	31,817	343,623	340,917
Isuzu	1,432	.....	16,602	.....
Jaguar	469	227	4,142	2,737
Lancia	41	163	1,018	1,921
Mazda	12,022	14,943	155,837	145,837
Mercedes-Benz	4,929	3,778	56,643	49,069
MG	88	392	3,663	13,369
Peugeot	1,078	870	15,708	11,789
Porsche	977	630	9,983	9,816
Renault	2,885	1,679	28,832	23,592
Rover	49	67	728	350
Saab	1,415	1,026	13,326	12,618
Sapporo	830	669	12,451	9,596
Subaru	10,548	10,220	140,855	132,281
Toyota	36,096	36,636	534,718	535,133
Triumph	213	546	9,604	14,132
Volkswagen	4,369	6,690	76,840	84,002
Volvo	4,419	4,296	61,397	53,940
TOTAL	152,939	168,410	2,159,901	2,216,611

U. S. CAR SALES BY MARKETING UNITS

	Nov., 1981	Nov., 1980	11 mos., 1981	11 mos., 1980
Chevrolet	105,710	133,388	1,367,592	1,635,045
Ford	65,547	91,255	959,730	1,058,726
Oldsmobile	57,408	63,765	799,098	768,267
Buick	53,445	64,117	674,610	668,576
Pontiac	34,294	49,673	526,661	576,962
Toyota	36,096	36,636	534,718	535,133
Datsun	33,027	36,001	431,746	486,770
Honda	22,010	31,817	343,623	340,917
VW of America	18,828	21,130	284,406	299,051
Plymouth	22,556	23,282	357,600	288,135
Dodge	22,882	23,908	337,822	301,420
Mercury	25,852	30,135	322,235	301,544
Cadillac	19,341	18,850	210,065	195,628
AMC-Renault	12,333	15,240	157,773	163,436
Mazda	12,022	14,943	155,837	145,837
Subaru	10,548	10,220	140,855	132,281
Volvo	4,419	4,296	61,397	53,940
Chrysler/Imperial	7,953	11,973	89,057	130,299
Jaguar-Rover-Triumph	819	1,232	18,137	30,588
Mercedes-Benz	4,929	3,778	56,643	49,069
Lincoln	6,247	5,833	59,455	64,211
BMW	2,417	2,457	37,536	34,272
Fiat	1,232	1,798	31,979	36,053
Isuzu	1,432	.....	16,602	.....
Saab	1,415	1,026	13,326	12,618
Peugeot	1,078	870	15,708	11,789
Alfa Romeo	171	75	2,033	2,876
DeLorean	654	.....	2,367	.....
TOTAL	584,665	697,698	8,008,611	8,313,443

Ford sales include Fiesta; VWoA includes VW and Porsche-Audi; Plymouth includes Champ and Sapporo; Dodge includes Colt and Challenger; Fiat includes Lancia. Jaguar-Rover-Triumph includes MG.

DOMESTIC CAR SALES

	Nov.21 to Nov. 30, 1981	Same Period, 1980	Nov., 1981	Same Month, 1980	Jan. 1 to Nov. 30, 1981	Same Period, 1980
Spirit	.....	.....	1,433	3,350	32,272	47,317
Concord	.....	.....	3,948	6,236	56,888	61,809
Pacer	.....	.....	.....	32	111	2,051
Eagle	.....	.....	4,067	3,943	39,670	28,667
AMERICAN MOTORS*	2,700†	2,700†	9,448	13,561	128,941	139,844
Horizon	863	1,424	3,589	5,471	71,555	71,706
TC3	738	654	2,664	2,703	49,036	51,143
Reliant/Volare	2,822	3,767	11,769	11,565	184,757	89,462
Plymouth	133	94	430	335	883	13,271
Total Plymouth	4,556	5,939	18,452	20,074	306,231	225,582
LeBaron	118	1,894	601	5,899	35,913	59,672
LeBaron K	1,266	.....	4,102	.....	5,774	.....
Cordoba	352	814	1,269	3,290	22,565	41,649
New Yorker	624	.....	1,698	.....	3,348	.....
Chrysler	.....	509	.....	1,953	17,080	27,093
Total Chrysler	2,361	3,217	7,670	11,142	84,680	128,414
Total Imperial	79	230	283	831	4,377	1,885
Omni	826	1,108	3,097	3,983	52,716	55,893
024	886	609	3,254	2,367	48,510	44,072
Aries	2,980	2,705	9,377	9,206	140,264	68,622
Dodge 400	452	.....	1,154	.....	1,682	.....
Diplomat	298	865	1,015	2,771	24,479	30,198
Mirada/Magnum	175	404	709	1,830	13,261	25,864
Dodge	.....	195	.....	626	5,628	16,360
Total Dodge	5,617	5,886	18,606	20,693	286,540	241,009
CHRYSLER CORP.	12,613	15,275	45,011	52,740	681,828	596,890
Pinto	.....	1,430	.....	5,301	10,037	139,291
EXP	1,463	.....	4,899	.....	51,734	.....
Escort	6,502	5,576	22,147	19,386	270,722	38,099
Mustang	2,642	4,191	9,213	14,216	149,119	212,651
Fairmont	2,666	7,069	9,576	23,787	174,173	265,608
Granada	2,224	2,476	8,098	7,656	99,349	80,955
LTD II	.....	.....	.....	.....	.....	3,012
Thunderbird	1,227	1,841	3,768	6,539	66,351	120,059
Ford	2,486	2,464	7,846	9,503	105,389	134,187
Ford Division	19,210	25,047	65,547	86,388	926,874	993,862
Bobcat	.....	243	.....	957	2,169	26,144
LN7	478	1,905	1,690	5,920	17,013	10,730
Lynx	2,279	.....	7,547	.....	88,772	.....
Zephyr	1,293	2,706	2,917	8,838	48,602	79,957
Cougar	1,753	910	4,584	3,145	43,526	28,690
XR-7	501	753	1,482	2,737	27,628	48,855
Capri	924	1,148	2,694	4,059	45,685	58,587
Mercury	1,654	1,166	4,938	4,479	48,840	48,581
Total Mercury	8,882	8,831	25,852	30,135	322,235	301,544
Cont./Versailles	560	56	1,575	200	3,444	4,219
Lincoln	963	712	2,635	2,497	27,698	27,544
Mark VI	750	852	2,037	3,136	28,313	32,448
Total Lincoln	2,273	1,620	6,247	5,833	59,455	64,211
L-M Division	11,155	10,451	32,099	35,968	381,690	365,755
FORD MOTOR	30,365	35,498	97,646	122,356	1,308,564	1,359,617
Skyhawk	.....	.....	.....	.....	.....	5,388
Skylark	4,668	5,295	17,425	16,484	188,811	162,505
Century FWD	87	.....	88	.....	88	.....
Century Regal Sed.	2,578	3,546	7,421	12,094	116,794	135,951
Regal Coupe	3,931	5,294	12,960	18,118	197,403	184,991
Le Sabre	2,261	2,084	6,871	7,064	75,144	83,450
Electra	1,528	1,732	5,025	6,087	52,385	56,913
Riviera	1,217	1,315	3,655	4,270	43,985	39,378
Buick Division	16,270	19,266	53,445	64,117	674,610	668,576
Cimarron	526	.....	2,092	.....	13,392	.....
Seville	688	936	1,943	3,236	21,005	32,090
Cadillac	3,799	2,882	10,817	10,480	126,064	115,605
Eldorado	1,595	1,439	4,489	5,134	49,604	47,933
Cadillac Division	6,608	5,257	19,341	18,850	210,065	195,628
Chevette	7,611	7,078	19,672	25,609	329,596	352,958
Cavalier/Monza	2,935	2,954	11,392	11,514	82,760	143,048
Citation	10,584	7,904	28,553	28,356	284,238	348,731
Camaro	836	1,958	2,513	7,521	92,018	110,246
Malibu/Celebrity	4,768	6,043	13,051	23,351	201,856	249,592
Monte Carlo	3,643	3,938	10,387	14,742	153,710	153,284
Chevrolet	7,141	5,602	18,549	19,356	195,528	243,287
Corvette	508	793	1,593	2,939	27,886	33,899
Chevrolet Division	38,026	36,270	105,710	133,388	1,367,592	1,635,045
Starfire	.....	.....	.....	.....	.....	5,334
Omega	2,181	1,944	8,240	6,779	105,224	81,927
Cutlass	3,488	4,168	11,629	16,126	178,687	198,277
Supreme	5,137	4,971	16,113	19,438	253,986	242,795
Olds 88	3,479	2,969	10,495	10,988	147,906	137,749
Olds 98	2,588	1,901	7,994	7,267	77,240	67,743
Toronado	1,079	750	2,937	3,167	36,052	34,442
Oldsmobile Division	17,952	16,703	57,408	63,765	799,098	768,267
T-1000	1,684	.....	4,610	.....	52,147	.....
J-2000/Sunbird	1,219	2,780	5,143	10,272	72,704	125,099
Phoenix	2,343	2,629	7,184	9,237	78,389	92,922
Firebird	448	1,137	1,394	4,644	50,593	77,949
Bonneville/6000	1,813	1,688	5,694	6,681	69,336	72,755
Grand Prix	2,576	2,813	7,848	10,903	122,374	109,813
Pontiac	741	2,237	2,421	7,936	81,118	98,424
Pontiac Division	10,824	13,284	34,294	49,673	526,661	576,962
GENERAL MOTORS	89,680	90,780	270,198	329,793	3,578,026	3,844,478
VOLKSWAGEN	4,031	4,137	9,423	10,838	151,351	166,003
DOMESTIC TOTAL	139,389	148,390	431,726	529,288	5,848,710	6,106,832
IMPORT TOTAL	.....	.....	152,939	168,410	2,159,901	2,216,611
INDUSTRY TOTAL	.....	.....	584,665	697,698	8,008,611	8,323,443

*—AMC does not have a nameplate breakout for 10-day periods.

AWC establishes regional facility

LOS ANGELES. — American Warranty Corp. (AWC) has opened a regional facility in Ft. Lauderdale, Fla.

The regional office will provide AWC dealers and consumers with a complete sales claims and underwriting facility. It will serve most states east of the Mississippi.

Ed Buck, AWC vice president for data center operations, said, "With the opening of this center in Ft. Lauderdale and our scheduled plans for facilities in Denver, Minneapolis/St. Paul and Dallas/Ft. Worth, American Warranty will be able to make certain that our individual contract holder's records are computerized quickly and that our company will be in a position to respond to the needs of our clientele rapidly."

Down from 6.4 million last year; November total lowest since 1970

1981 auto output to be 6.3 million

By Patricia Hoffman
Staff Writer

Domestic auto production in November was the lowest for the month since the General Motors strike in 1970, and the total dropped 26.06 percent below the comparable 1980 period.

In November, the makers assembled 415,802 cars, down substantially from 562,380 in the same month last year. The 1970 figure was 372,561.

A continuing sales slump has dragged car production steadily downward during the fourth quarter. The makers have forecast only 352,293 units for December, a drop of 25.64 percent from 473,764 in the comparable 1980 month.

The auto manufacturers are looking at 1,361,553 units for the last three months of 1981, down 20.43 percent from 1,711,145 a year ago. This would bring the final build for 1981 to an estimated 6.3 million units, down from 6,416,885 in 1980.

Breakdown for November by company is: General Motors, 69.45 percent; Ford Motor, 17.02 percent; Chrysler Corp., 10.23 percent; Volkswagen of America, 1.95 percent; American Motors, 1.26 percent, and Checker Motors, 0.09 percent.

Last week the auto makers targeted production at 101,265 units, up 14.94 percent from 88,100 in the previous week but down 33.30 percent from 151,812 in the comparable 1980 week.

Chrysler's Jefferson assembly point returned last week after being closed since Nov. 30 for inventory control.

AMC resumed operations last week after two weeks of down-

So far this year, the makers have assembled 6,111,683 cars, up a fraction from 6,077,864 in the comparable 1980 period.

time for inventory adjustments. Also back was VWoA's Westmoreland facility, which had been down since Nov. 16.

GM closed the Leeds assembly point last week for the holiday vacation and to convert to the J-car. The plant is slated to return Jan. 11.

Also idle early for the holidays is GM's Lordstown plant which closed Nov. 25. It is slated to return Jan. 4.

GM's Janesville facility remains down for a five-month changeover to the J-car. The plant closed Oct. 19.

Checker's Kalamazoo facility went down Nov. 18, and no date has been given for the resumption of operations.

There will be eight Ford assembly points idle this week for inventory control. They are: Lorain, Kansas City, Chicago, Dearborn, Wayne, Metuchen, Wixom and San Jose.

Car output in Canada sinks to 17-year low

Canadian auto production in November was the lowest for the month in 17 years, and the total was 17.80 percent below the comparable 1980 month.

The auto makers completed 65,983 units last month, down from 80,272 in the same month in 1980, and the lowest output for November since 50,221 in 1964.

Truck production for the month totaled 42,638 units, down 7.14 percent from 45,916 in the comparable 1980 month, and the lowest November output since 1975 when the makers finished 36,504 units.

The return of American Motors' Brampton facility last week helped boost estimated auto production 13.50 percent to 15,559 units from 13,708 in the previous week, but the total was down a fraction from 15,611 in the comparable 1980 week.

So far this year, the car makers have completed 771,217 units, down 4.41 percent from 806,798 in the same period last year.

Truck production for the week was targeted at 9,430, up 11.51 percent from 8,457 in the previous week, but the total was 28.95 percent below the 13,273 trucks built in the comparable 1980 week.

Production resumed at AMC's Brampton facility last week (Dec. 7) after it was idled Nov. 30 for inventory control.

Also back last week was Ford Motor's Oakville point which closed Nov. 23 to adjust inventories. The facility is slated to go down again today (Dec. 14).

Ford's St. Thomas facility, idle last week, is scheduled to return today with production of the 3-door and 5-door Escort and Lynx added to the EXP and LN7.

Early holiday closings are in effect at International Harvester's Vancouver and Chatham points. The plants closed Dec. 11 and will return Jan. 4.

Also down early for the holidays is General Motors' St. Therese facility. The point closed Nov. 30 and is scheduled to return Jan. 11.

Ford's Ontario truck point, idle since Nov. 30, resumed production last week.

November total lowest since 1970

Truck output dips 30 pct.

U. S. truck production in November was the lowest for the month since 1970 and was 30.85 percent below the comparable 1980 period.

Last month, the makers completed 103,575 units, down from 149,785 in the comparable month last year, and the lowest total for November since 92,449 were assembled in 1970. The 1970 count was held down by a strike against General Motors.

The December forecast for the truck manufacturers is 106,697, down 21.28 percent from 135,545 last year.

For the fourth quarter, output is estimated at 345,763 units, down 23.93 percent from 454,554 in the final three months of 1980.

Despite the expected slump in output for the last quarter of 1981 and the slow start in the first quarter of this year, the manufacturers will build about the same number of trucks this year as last year. The 1981 estimate is 1.6 million, compared with 1,593,489 in 1980. The second and third quarters of 1981 were ahead of 1980.

Last week, the truck makers targeted 24,436 units, up 11.46 percent from 21,923 the previous week, but down 37.09 percent from 38,840 in the comparable week last year.

American Motors' Toledo (Jeep) facility returned last week after being idle for inventory control since Nov. 30.

Also back last week was Volkswagen of America's Westmoreland point which closed Nov. 16 to adjust inventories.

General Motors' Lordstown (van) facility resumed operations last week minus second-shift operations. The plant was idled Nov. 30 for inventory control.

International Harvester's Ft. Wayne and Springfield facilities closed last Friday (Dec. 11) for the holidays. The plants are slated to return Jan. 4.

Ford Motor has scheduled downtime this week at four assembly points. They are: Kansas City, Michigan, San Jose and Kentucky. It is the fourth consecutive week of downtime for all but the Kentucky facility.

U. S. CAR PRODUCTION

	Week Ended Dec. 12, 1981	Week Ended Dec. 13, 1980	Week Ended Dec. 5, 1981	Nov. Total	Jan. 1 to Dec. 13, 1980	Jan. 1 to Dec. 12, 1981
AMERICAN MOTORS	2,550*	3,275*	.....	5,232	159,613	112,222
AMX	.....	.....	.....	.....	.....	.....
Spirit	.....	.....	.....	.....	.....	.....
Concord	.....	.....	.....	.....	.....	.....
Eagle	.....	.....	.....	.....	.....	.....
Pacer	.....	.....	.....	.....	.....	.....
CHRYSLER CORP.	16,300	13,050	11,367	42,554	610,245	735,458
Plymouth Total	6,500	6,800	4,750	15,935	280,890	359,140
Horizon	2,200	.....	2,288	4,130	141,735	135,078
Reliant	4,300	6,700	2,462	11,805	67,426	214,475
Volare	.....	.....	.....	.....	51,735	.....
Caravelle†	.....	100	.....	.....	5,925	2,139
Gran Fury	.....	.....	.....	.....	14,069	7,448
Chrysler Total	2,800	1,300	1,459	9,915	77,471	55,612
LeBaron	2,800	1,300	1,459	9,915	59,150	50,750
Chrysler	.....	.....	.....	.....	18,321	4,862
Dodge Total	7,000	4,950	5,158	16,704	251,884	320,706
Omni	2,400	.....	2,277	3,821	118,933	121,905
Aspen	.....	.....	.....	.....	36,881	.....
Aries	3,500	4,400	1,911	8,612	54,051	168,954
Diplomat	.....	550	.....	.....	29,155	12,644
Dodge 400	1,100	.....	970	4,271	.....	13,521
St. Regis	.....	.....	.....	.....	12,864	3,682
FORD MOTOR	3,300	34,955	3,257	70,764	1,229,062	1,263,594
Ford Division	1,240	23,524	1,392	41,983	875,079	853,501
Escort	.....	9,349	1,156	17,260	92,952	338,978
Pinto	.....	.....	.....	.....	68,179	.....
Fairmont	527	2,792	.....	10,073	193,043	170,791
Must./Must. II	.....	4,992	.....	5,937	219,481	142,994
Granada	713	1,466	.....	5,798	100,255	97,126
T-Bird	.....	3,237	.....	2,723	113,794	61,126
Ford	.....	1,688	.....	.....	87,375	40,886
EXP	.....	.....	236	192	.....	1,600
L-M Division	2,060	11,431	1,865	28,781	253,983	410,093
Mercury Total	2,060	9,763	1,865	22,397	304,484	349,312
Bobcat	.....	.....	.....	.....	12,445	.....
Lynx	.....	3,438	321	5,440	32,432	113,444
Capri	.....	2,084	.....	2,100	64,620	47,193
Zephyr	220	1,048	.....	2,758	64,161	49,125
Cougar	552	542	.....	5,109	21,967	46,771
XR-7	.....	1,357	.....	831	55,983	28,168
Mercury	1,288	1,294	1,307	5,983	52,876	63,596
LN7	.....	.....	237	176	.....	1,015
Lincoln Total	.....	1,668	.....	6,384	49,499	60,781
Continental ('82)	.....	.....	.....	3,192	.....	10,673
Lincoln	.....	831	.....	1,946	21,178	25,527
Mark VI	.....	837	.....	1,246	26,455	24,581
Versailles	.....	.....	.....	.....	1,866	.....
GENERAL MOTORS	75,003	95,897	73,476	288,778	3,925,115	3,840,062
Buick Division	14,782	19,534	14,746	56,148	740,489	843,690
Skylark	3,533	4,949	3,784	12,090	207,039	255,217
Skyhawk J	.....	.....	.....	.....	.....	.....
Century	2,030	3,653	1,889	6,081	157,320	99,726
Regal	4,665	5,322	4,713	18,245	193,645	255,551
Buick	3,240	4,255	3,312	13,301	140,472	166,745
Riviera	1,314	1,355	1,048	6,431	42,013	66,451
Cadillac Division	5,224	5,972	4,815	19,379	190,738	250,731
Cimarron	170	.....	144	1,101	.....	22,126
Seville	299	1,005	236	1,181	32,867	22,823
Eldorado	1,155	1,279	912	4,305	51,178	55,859
Cadillac	3,600	3,688	3,523	12,792	106,693	149,923
Chevrolet Division	28,384	38,590	25,489	110,031	1,672,373	1,411,728
Chevette	7,477	9,505	7,580	28,960	437,428	342,786
Cavalier	1,830	.....	1,592	27,279	.....	135,285
Celebrity	4,221	.....	3,395	9,931	.....	18,354
Monza ('80)	.....	.....	.....	.....	147,768	.....
Camaro	3,567	2,365	1,926	3,412	112,445	96,399
Citation	4,450	10,490	4,036	14,034	435,765	292,638
Malibu	3,019	6,690	3,118	13,659	255,720	218,821
Monte Carlo	2,956	3,740	2,899	10,422	117,235	134,703
Chevrolet	264	4,800	333	1,899	123,938	145,956
Corvette	600	1,000	610	435	42,074	26,786
Oldsmobile Division	16,357	22,498	14,746	54,894	770,887	812,527
Omega	2,352	3,055	1,180	2,619	106,701	128,958
Cutlass	4,800	11,837	4,788	18,161	358,143	354,037
Cutlass/Ciera	3,108	.....	2,795	9,030	.....	18,933
Oldsmobile	5,500	6,485	5,498	20,539	220,534	267,713
Toronado	597	1,121	485	4,545	71,802	42,886
Pontiac Division	10,256	9,303	13,680	48,326	550,628	521,386
Acadiant†	160	255	219	935	18,432	18,050
J2000	.....	.....	4,392	17,242	.....	87,193
Sunbird ('80)	.....	.....	.....	.....	145,628	.....
T1000	1,640	.....	1,519	6,497	.....	87,012
Firebird	1,807	1,717	812	1,669	75,623	47,791
Phoenix	1,382	2,931	1,463	4,480	129,500	94,103
Grand Prix	1,640	2,280	1,741	6,504	70,943	95,300
Bonneville ('82)	1,640	.....	1,768	5,623	.....	26,660
A6000	1,985	.....	1,766	5,376	.....	13,186
LeMans	.....	1,620	.....	.....	61,035	42,027
Pontiac	.....	500	.....	.....	79,467	10,064
VOLKSWAGEN	4,112	4,550	.....	8,101	185,950	158,338
CHECKER	.....	85*	.....	373	3,056	2,009*
Total Cars, U. S.	101,265	151,812	88,100	415,802	6,077,864	6,111,683

TRUCK PRODUCTION IN U. S.†

	Week Ended Dec. 12, 1981	Week Ended Dec. 13, 1980	Week Ended Dec. 5, 1981	Nov. Total	Jan. 1 to Dec. 13, 1980	Jan. 1 to Dec. 12, 1981
CHEVROLET	8,545	16,694	7,470	30,599	461,067	446,505
DODGE	3,000	1,700	2,873	8,174	113,298	92,550
FORD	4,831	10,232	4,348	36,631	562,873	596,811
GMC	3,372	5,024	4,638	13,664	148,675	166,008
INTERNATIONAL	1,150	1,730	1,144	3,220	63,164	65,934
VOLKSWAGEN	588	650	.....	1,158	26,404	36,359
MACK	.....	485	.....	.....	22,010	.....
JEEP	1,500*	1,740*	.....	4,039	77,861	83,888
AM GENERAL	50*	85*	50*	210*	7,956	3,536
MISCELLANEOUS	1,400*	500*	1,400*	5,880*	36,025	65,520
Total Trucks, U. S.	24,436	38,840	21,923	103,575	1,519,333	1,557,111

CANADIAN TRUCK PRODUCTION

	Week Ended Dec. 12, 1981	Week Ended Dec. 13, 1980	Week Ended Dec. 5, 1981	Nov. Total	Jan. 1 to Dec. 13, 1980	Jan. 1 to Dec. 12, 1981
CHRYSLER CORP.	2,000	1,600	2,099	8,045	48,988	82,192
FORD MOTOR	3,160	4,500	300	9,326	170,923	132,162
GENERAL MOTORS	4,032	6,838	5,820	24,275	232,743	261,541
AMERICAN MOTORS	.....	.....	.....	.....	18,127	.....
INTERNATIONAL	238	295	238	992	15,389	11,092
MACK	.....	40	.....	.....	1,999	.....
Total Trucks, Canada	9,430	13,273	8,457	42,638	488,169	486,987
N. American Trucks	33,866	52,113	30,380	146,213	2,007,502	2,044,098

†—Now includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.

CANADIAN CAR PRODUCTION

	Week Ended Dec. 12, 1981	Week Ended Dec. 13, 1980	Week Ended Dec. 5, 1981	Nov. Total	Jan. 1 to Dec. 13, 1980	Jan. 1 to Dec. 12, 1981
AMERICAN MOTORS	960	591	.....	3,888	2,526	33,538
CHRYSLER CORP.	2,384	.....	1,950	8,112	67,514	63,943
FORD MOTOR	3,683	1,448	4,254	15,272	241,195	202,021
GENERAL MOTORS	8,307	13,347	7,279	37,811	485,991	461,705
VOLVO	225	225	225	900	9,572	10,010
Total Cars, Canada	15,559	15,611	13,708	65,983	806,798	771,217
N. American Cars	116,824	167,423	101,808	481,785	6,919,839	6,882,900
N. American Trucks	33,866	52,113	30,380	146,213	2,007,502	2,044,098
North American Cars and Trucks	150,690	219,536	132,188	627,998	8,927,341	8,926,998

†—All Acadians and Caravelles are built for sale in Canada. *—Estimated.

NOTE

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A Christmas Fantasy

or, Season's Grittings from Detroit Again

'Twas the night before Christmas, Santa'd just packed his sack
And was thinking of ways he could push the clock back
To the '60s when everyone had plenty of dough
And the cars were REAL cars — Charger and GTO.
Union leaders were nestled all snug in their beds
While visions of buying plants danced in their heads.

Roger B. in his 'kerchief and F. James in his gown
Were dreaming of pushing the workers' pay down.
Hark! In Bloomfield Hills there arose an ovation
For Ronnie's first act—an air-bag deflation.
Interest rates rose with a speed to unnerve
And slashed auto sales like a wild Laffer curve.

Iacocca was worried, that he couldn't disguise;
Chrysler's losses were mounting, despite Old Blue Eyes.
Gerry Meyers saw no quick relief, not one iota,
Without planned obsolescence and a tough import quota.
And Henry the Deuce wore a visage most pained
After Lasky explained and then Henry complained.

Then what to our wondering eyes made its way
But an angular elf in a Japanese sleigh.
He's a jolly young fellow, though there're some
who would knock him,
And we knew in a flash it must be St. Stockman.
He spoke not a word, in his work he was frantic,
Slashed all our budgets, then talked to Atlantic.

Then we all watched with wonder as with Congress he fought
Fiercely, like a Sierra Club member and Watt.
They wrestled and snarled and battled like heck,
Like Volcker and Fraser, like Helen Kahn and Peck.
We sought aid for Detroit, but we here drew a blank.
He shrugged and we thought he said "So sorry, Yank."

Then he lept to his sleigh and they all flew away
Like black ink at GM or like new-model day,
Like cars that were fun and cars that had sex
(Now they're only pale shadows named, A, J, K. X).
But we heard him exclaim as he soared way up there:
"Bundle up now, Detroit—there's a Nip in the air."

—Richard A. Wright

Imported-car stockpile edges up; trucks decline

By Richard A. Wright
Assistant Managing Editor

The inventory of new imported cars in the U. S. climbed a bit during November, but a brisker sales pace resulted in a 55-day supply Dec. 1, not much changed from the 54-day stockpile on Nov. 1.

The supply of new imported pickup trucks in inventory actually decreased during the month from 94 to 90½ days, although the unit count increased — again, the result of a higher sales rate.

The inventory of new imported vehicles Dec. 1 totaled 349,353 cars and 118,913 trucks. A month earlier, there were 328,674 cars and 105,192 trucks in stock.

The combined car and truck inventory on Dec. 1 was a 61-day supply, up from 60 days a month earlier. So the import stockpile is generally healthy, though a bit heavy in pickups and short in some car lines.

The 55-day supply of imported cars compared very favorably with the swollen 83-day supply of domestic cars on Dec. 1.

• Usually, stocks of new imported cars climb a bit more rapidly at this time of year toward a peak in January. The slower growth this year might be a result of the quota on Japanese imports. Toyota stocks have been very lean for several months.

Toyota did manage to increase its inventory during the month, but opened December with a stockpile that was still very meager at 26 days, up from 22½. Toyota also had a 63-day supply of pickup trucks.

Also carrying very short supplies into December were Honda, with a 31-day supply of cars, and Subaru, with a 34-day supply.

Mazda had a 51-day supply of cars and a 74-day stock of trucks. Nissan and Isuzu each had 65-day supplies of cars. Nissan had a 103-day stock of trucks, while Isuzu had enough for 133 at the November selling rate.

Chrysler Corp. had a 134-day supply of Mitsubishi-built cars and a 120-day stockpile of Mitsubishi pickups.

In addition, Ford had a 73-day supply of Japanese-built Courier pickups and Chevrolet a 122-day stock of LUV pickups on Dec. 1.

All the Japanese nameplates had a 48-day supply of cars on Dec. 1, which was actually down from 52½ days a month earlier. This compared with a 75-day supply of German cars and a 92-day stockpile of cars from other countries.

The West German car inventory was short of Mercedes-Benz, at an estimated 36 days, and BMW, estimated at 40 days. Volkswagen of America had a 74-day supply of Porsches, a 77-day stock of Audis and a 138-day supply of German-built Volkswagens. That compared with a 94-day supply of U. S.-built Rabbits.

Estimated stocks of Swedish cars were healthy — 56½ days for Volvo, 70½ for Saab—while the Italian nameplates were in heavy supply.

Stocks of the DeLorean — which is now the largest selling nameplate in the U. S. from the United Kingdom—were healthy at 54 days.

Metamorphosis

Madison: A kit car from England

Making its debut at the Greater Los Angeles Motor Show, Jan. 2-10, the Madison, a kit car that fits a standard VW Beetle chassis, flaunts itself as a 1930s-style open sports car. It is designed to accept many original VW parts. FOB price for the kit is about $2,600; preassembled model runs $8,600. The manufacturer is GP Concessionaires, Ltd., Isleworth, Middlesex, England.

Some dealers, areas report good times

It's not all gloom in auto business

By Jenny L. King
Staff Writer

Dealers in some regions of the country are reporting good times and increased sales numbers and/or grosses in their domestic new-car figures.

As 1981 quietly closes with U. S. industry sales at a 20-year low, down from a valley created in 1980, an Automotive News survey discovered several pockets of prosperity in the general gloom.

If there is a land of milk and honey in the U. S., it is Texas. Southern California, the Southwest, Chicago and metropolitan New York City also were high on the domestic auto makers' lists of strong sales areas.

Dealers and factory reps credited healthy, growing local economies and sharp dealering with their successes.

Wade Sullivan is a Ford dealer in Crockett, Tex., a town northwest of Houston, situated in Houston County. Sullivan is a member of Ford's National Dealer Council and a local civic leader.

"Houston is a success area. The Sunbelt parts of the country are more blessed right now," said Sullivan, who had just returned from a business trip to Detroit and is aware of the problems faced by many of his colleagues in other states.

"Here in Crockett we've had an outstanding October and November—my own volume isn't up but our grosses are better and we're making money on finance income and insurance," he said.

Sullivan was encouraged about banks getting back into auto financing, though he said his own bank had never pulled out. He said he was surprised to see some banks advertising money for car loans.

"Sales here are consistent," he said. "Dealerships in fringe areas of big cities are doing better than downtown and country outlets."

Sullivan is confident of a good future for the domestic industry. "If things continue in the direction they now are headed, we will compete (successfully) with the imports," he said. "The products coming from Ford are much better than the public perceives."

Sullivan said he and the three

Continued on Page 26, Col. 1

breaking news

Won't seek U. S. aid, Iacocca says

DETROIT.—Chrysler Corp. would sell any of its profitable assets, including its defense operation, if it had to rather than go to the Federal Government for more loan guarantees, Chairman Lee Iacocca said. But he was optimistic about Chrysler's prospects and said the corporation has been running "essentially at break-even" for the past two months.

Chrysler Defense sale draws nearer

DETROIT.—Chrysler Corp. reportedly is edging closer to the sale of its profitable Chrysler Defense, Inc., subsidiary, although officials denied they had definitely made up their minds to do so. There were meetings in Washington on the subject last week. Chrysler Chairman Lee Iacocca said he'd sell Defense if the price were right and would certainly do so before asking for the last $300 million in loan guarantees.

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Vacations, COLA affected

Ford to cut benefits for salaried workers

By Marjorie Sorge
and Joseph Bohn

Ford Motor Co. will make more cuts in vacations, cost-of-living adjustments and other benefits for its salaried workers.

The reductions are to reduce the chances of huge layoffs in the salaried workforce, a company spokesman said.

There are presently no plans for further cutbacks in white-collar employment, Donald Petersen, Ford president, said, but he indicated that Ford's employment has not yet been cut to the bone.

"What I hope, as we are looking to the future, is that we can find ways to accomplish what we must accomplish in a continuing and progressive way, in the maximum way possible, as attrition permits," Petersen said.

"We'll get the same job done —we must get the same job done—with fewer people. It doesn't matter what kind of job you're referring to, an engineering job, a manufacturing job, a finance job . . . it is very clear the Japanese get the equivalent job done—I'm talking in salaried areas—with fewer people than does the typical American firm. I'm convinced there's a great deal we can do, and must do, to become competitive."

He said Ford is taking a long look at the Japanese methods and the "goal is to match them in manhours . . . for producing a car."

The new cuts in Ford's salaried benefits come on the heels of a UAW executive board decision to let its bargaining councils begin early negotiations with the auto companies if they see fit. Many labor observers and some salaried personnel feel these reductions are an example to the hourly workers and might be similar to concessions the company would seek at the bargaining table.

UAW President Douglas A. Fraser has said the auto companies must show an equality of sacrifice if they expect any contract concessions from the hourly workers.

• At present, members of the UAW Ford and General Motors bargaining units are polling the membership to get a feel for the rank-and-file position on early bargaining. No formal meetings have been scheduled.

Ford has cut its white-collar employment by 25 percent since June, 1979. The blue-collar employment has dropped from 190,000 in mid-1979 to 115,000 with 48,725 on indefinite layoff.

It has also reduced the number of extra vacation days (the white-collar equivalent of paid personal holidays) from nine to six and has cut vacations by 20 percent for salaried workers.

The new reductions will rescind the 20-percent cuts in vacation days. Every worker now will lose six vacation days.

Other cuts include:

1. Elimination of a compensatory day off this month for white-collar workers to match a provision in the hourly contract.

2. Elimination of COLA payments paid for any time not worked beginning Jan. 1. Payments will now be calculated only on the number of days actually worked in a quarter. Previously, vacations and sick time were included.

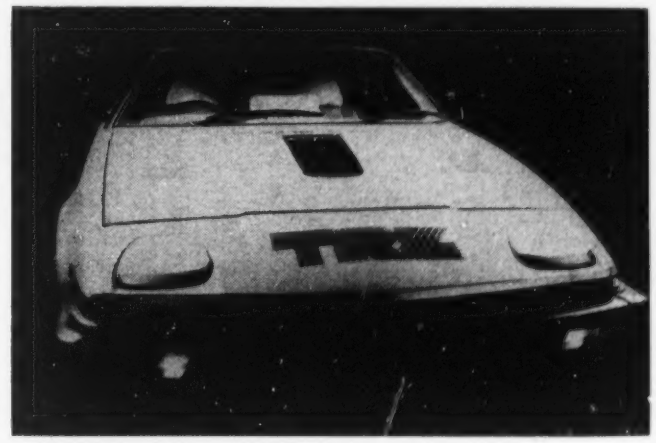
3. Reduction of the amount of overtime paid in 1982. Depending on job description, some workers will have overtime pay eliminated, others will have it limited to straight time pay rather than time-and-a-half while others will keep their overtime benefits.

4. Beginning June 1, salaried employes opting for early retirement will have their life insurance reduced when they retire. Previously the benefit was not reduced until 65 when federal benefits kicked in.

5. First-class air travel has been eliminated except for extended overseas flights.

The cuts will save Ford "millions of dollars," a company spokesman said.

Ford lost $713.8 million for the first nine months this year. It lost $1.5 billion in 1980.



A TR-7 for the price of a pen

A customized Triumph TR-7—valued at $24,000—is top prize in a competition to promote Schaeffer TRZ ball pens in the UK. The car is the work of London's Wood and Pickett, and features velour and Connolly leather trim, keyless locking, radar monitoring device and cruise control.

Chrysler tools up a new rebate program

Tens of millions of ad dollars frozen

By Joseph Bohn
Marketing Editor

Chevrolet, Ford and Oldsmobile have deferred spending tens of millions of advertising dollars — money not cut, but put on hold, pending a break in the market.

Agency people have been told to stay flexible, to wait for some signals of a turnaround; even as escrow ad funds soar to record levels for some agencies.

Yet, General Motors is expected to heavily blitz its new A-body and F-body cars, being introduced in January, and the new Buick and Oldsmobile J-cars to follow.

Chrysler has heavily slashed its ad budget, with reports of a cut as deep as 40 percent at Dodge. And yet the combination of advertising and a new consumer rebate, beginning Jan. 4, may send Chrysler's total first-quarter marketing effort to a record level.

All in all, these sometimes contradictory signals underscore both Detroit's uncertainty and its need to do something to rekindle lifeless sales.

General Motors, the only company with enough clout and leverage to do so, will try mightily to stir things up in the first quarter.

GM will give a lot of promotional play to previously announced price-cut versions of its Chevrolet and Pontiac J and X-cars, as well as the new lines of A-bodies like Celebrity and Cutlass Ciera and F-body Firebird and Camaro.

GM, which has internally projected its days' supply of unsold cars might climb into the high 90-day range by Jan. 1, due to a slowdown in the daily selling rate (absolute volume will be down to a little over 800,000), is also expected to launch dealer cash incentives or similar activity to whittle down unwieldy stocks.

Yet, additional ad money GM might have spent is clearly being deferred at several divisions, with reports of cash reserves at an alltime high.

Chrysler, expecting that GM may stir up the market, hopes to siphon off traffic with yet another rebate. The latest program has a replacement feature. Dealers will be expected to order a new car for every one the factory pays money on.

Details of the program, as outlined to Chrysler's national dealer councils, were still tentative at press time. There were reports, for example, of rebates ranging from $300 to $2,000 across the broad product line, but no confirmation of exact amounts or even an end date to the program.

Chrysler's market share has improved in recent 10-day periods. But a larger share of the currently small market has not helped some dealers, who are still shouldering heavy inventories.

To help conserve cash, Chrysler is no longer giving special wholesale floor-plan rates through Chrysler Credit to dealers who place at least 17 percent of their retail deals with the company's finance arm.

All dealers will be paying 2.00 percentage points over prime rate on wholesale financing through Chrysler Credit.

Ford Motor, disappointed by its last rebate, is still tracking GM closely in order to react competitively to the industry leader's moves.

Like GM, Ford is top-heavy with cars in some lines, and is expected to run a dealer cash incentive to help pare inventories.

Ford may also counter GM, with some specially-price-reduced versions of its cars.

Whether Ford gets into rebates again will depend largely on what GM does.

• GM has been the most rebate-reluctant of the Big Three domestic firms because of the enormous potential costs it faces with 50-plus percent of the market and the big sales increases it needs to make such a program pay.

GM at 50 percent of the market, for example, would have to pick up 5 percentage points to score a 10 percent increase; while small-share marketer Chrysler (10 percent of the market) needs only a 1 percentage point increase for the same kind of gain.

Thus, rebates come more easily, and make more sense, for the smaller company than the larger one.

While rebates have helped Chrysler, they've taken a toll on some dealers who complained that with the time lag in repayment, the program sometimes gives them a short-term negative cash flow.

Most existing car lines to be overhauled

Ford pushes ahead on FWD plans

By Paul Lienert
Contributing Editor

Ford Motor Co., despite recent delays and cancellations in new-model programs at General Motors, is locking up plans to overhaul most of its existing car lines and convert them to front-wheel drive by 1986-87.

Only the Escort/Lynx and EXP/LN7 lines will escape the surgeon's knife at Ford over the next five years, and those subcompact models will be upgraded and fitted with optional turbo and diesel engines in the interim to make them more competitive with new offerings planned by the other domestic and leading import auto makers.

Among Ford's future vehicle programs are the following:

A small front-drive compact line to replace Fairmont/Zephyr in 1983½, based mechanically on Escort. The new FWD compacts reportedly will be called Ford Tempo and Mercury Topaz ("Topaz" was the development code name for the program).

Two-door and four-door models will be offered with four-cylinder engines and four-speed manual transmissions on the base models. Later, diesel and five-speed options will be available.

Facelifts for the Mustang/Capri and Thunderbird/XR-7 lines in mid-1983. T-Bird and XR-7 will be downsized slightly, and both series will get new sheet metal, including sleeker, more aerodynamic skin. The cars remain rear-drive, however, until small front-drive replacements bow in 1986-87.

A brand-new minicar called "Minx," scheduled to be assembled by Toyo Kogyo in Japan and shipped to Ford, beginning in the summer of '84.

The front-drive minicompact also may serve as the base for the '87 Mustang replacement, which could arrive as a two-seater.

A new line of small, front-drive family sedans and luxury cars, now being developed under the code name "Taurus," to replace LTD/Marquis and the Lincoln Continental/Mark VI series in 1986.

The Taurus cars, which are to get four-cylinder engines and four-speed automatic overdrive transaxles, have been delayed by about six months, with the Ford/Mercury cars to be unveiled in late '85 and the new Lincolns in mid-1986.

Taurus-based replacements for Thunderbird and XR-7 should arrive in late '86.

Choice of gas, diesel and turbo-diesels will be offered in most Taurus models.

Mazda redefines sedans

Mazda Luce (and Cosmo) four-door sedan and coupe have better aerodynamics. Power is by choice of 1.8 or 2-liter gasoline engine, 2.3-liter Wankel or 2.3-liter diesel. These top models from Mazda have independent rear suspension.

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